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IN ENGLAND AND WALES

MARCH 1959

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Professional Notes

Schedule A

THOSE WHO THINK that Schedule A should be abolished on principle are being joined by those who think that the coming Budget should abolish it, at least for owner-occupiers, on grounds of policy—to encourage the "property-owning democracy."

The two-fold arguments on principle were answered by the Royal Commission on the Taxation of Profits and Income. One of the arguments is that notional income should not be taxed. The answer is that what matters is relative capacity to pay tax: "an owner-occupier with a given income, paying no rent, has a higher taxable capacity than a tenant with the same income out of which he must meet liability for rent." The other argument of principle is that notional income can be attributed as logically to other forms of property as it can to houses

and other premises. Quite so, said the Royal Commission, but it would be impracticable to raise assessments on the annual value of the enjoyment of chattels, and also they are less important possessions than houses. Why scrap Schedule A just because its logic cannot for administrative reasons be carried to the extreme?

Whether the Chancellor will try to boost home ownership by relieving owner-occupiers of the tax is a quite different issue of policy. But a large part of the benefit from the abolition of Schedule A would go to present owners—new purchasers of houses would find market prices rising to offset some of the tax saving—so that the encouragement meted out to new property-owning democrats might not be worth the cost to the Revenue.

A significant point is that many owner-occupiers do not make the maintenance claims to which they are entitled,

a point we elaborate on page 154 of this issue of ACCOUNTANCY. An increase in the statutory repairs allowance would act as something of a corrective to their laxness or ignorance. Though there is the counter-argument that all taxpayers under Schedule A gain because the assessments are on annual values more than twenty years out of date and much below present values, the case for raising the statutory allowance seems a good one. There is also much to be said for permitting the excess of the five years' average expenditure, at present unrelieved, to be carried forward against future assessments under Schedule A or set against other income (as in agriculture at present.)

The Pensions Bill

THE MAIN POINTS of interest to our readers that so far have come out of the debate in Standing Committee in the Commons on the National Insurance Bill are:

(1) In at least the first stage of the new State pensions scheme—as we have already reported in ACCOUNTANCY—only the graduated contributions will be collected through P.A.Y.E. and the flat-rate contributions to National Insurance, with the contributions for industrial injuries and the National Health Service, will continue to be collected as at present. Power is being taken under the Bill to collect the contributions other than the graduated ones through P.A.Y.E. at a later date, if that extension is subsequently decided upon. Stamped cards thus continue for some time—as it was put in the Standing Committee, the song “O gum, all Ye Faithful” will continue to be sung for some years yet.

(2) The Government is considering whether, in order to cut down book-keeping by employers, it will be possible to amend the Bill to provide that they should pay, by way of total contributions, a sum equivalent to the total amount collected from employees, without having to calculate and record individually for each employee the employer's contribution.

(3) The Government has agreed that in principle there should be

provision to spread wages or salary paid in one week but referring to work done in other weeks. The effect would be, since contributions are payable on the basis of the weekly figures, to modify the contributions payable and sometimes to reduce them.

(4) The present arrangement, under which that part of National Insurance contributions which is for long-term benefits (including pensions) is an allowance for income tax, will stand. The part of the contributions that is applicable to pensions will be determined later.

Rates and Chronograms

THE RATING AND Valuation Bill now before Parliament puts off until 1963 the coming in of the new valuation lists for local rating. They should have come into force in 1961 but the Government argues that there will not have been time by then for a clear idea to be formed of current rental values of houses, following the rent decontrol of last year.

It is generally agreed that the result of the postponement is that rates on houses will be a smaller part of the total rate bill for two years after 1961 than they would be if the revaluation were to be effective that year (and if no countervailing change in the distribution of the burden were to take place). Similarly, commercial premises will bear a bigger relative burden in 1961–63 than they would do without the postponement. The *Retail Distributors' Association* has stated that if all property were treated alike and assessed on current rentals, houses would bear 59 per cent. of total rates, commercial premises 25 per cent. and industrial premises 14 per cent., while the distribution of the burden as from April 1 next, to be maintained for four more years by the Government's decision, is estimated by the Association as: houses 50 per cent., commercial premises 35 per cent. and industrial premises 12 per cent.

There appeared three years ago in *Rating and Valuation* (the journal of the Rating and Valuation Association) a pretty piece of what was called “chronogrammatic prognostication.” A chronogram is a phrase of

which the Roman numeral letters, added together, give a date. The writer tried the phrase “when WILL VaLuatiOn LIsts be MaDe On COrrECt VaLues?”, and arrived at the answer $1 + 50 + 50 + 5 + 50 + 1 + 0 + 50 + 1 + 1,000 + 500 + 0 + 100 + 0 + 100 + 5 + 50 = 1963$. Perhaps chronograms are more useful than many other methods of forecasting!

Legal Advice Scheme at Last

EVER SINCE THE Legal Aid and Advice Act was passed in 1949, and a measure of legal aid introduced immediately afterwards, successive Governments have been criticised by almost everyone concerned for refusing, on financial grounds, to implement also the legal advice portion of the Act. Certainly it would seem that to bring in legal aid in the Supreme Court first, then legal aid in the County Courts, and finally legal advice, has been to tackle the problem from the wrong end. On grounds of economy alone advice should have come first, for it can often make litigation unnecessary. The Rushcliffe Committee, whose report was the foundation of the Act, can hardly have imagined that there would be ten years between the passing of the Act and the introduction of a scheme of advice.

Now at last the Government has given the go-ahead and the Law Society has introduced its plan, under which anyone with not more than £75 capital (excluding his house, its contents and tools of his trade) and an income of not more than £4 10s. a week (after allowing £1 10s. for a wife and £1 5s. for each maintained child) can have oral advice from any solicitor participating in the scheme for 2s. 6d., while anyone receiving national assistance can have it free unless his means exceed the limits outlined above. The Legal Aid Fund will make up the solicitor's fee to £3 for an interview of up to 90 minutes.

A noteworthy extension of the scheme is that without any means test at all (and without filling in the form that is necessary for the cheaper advice) anyone can have half-an-hour of a solicitor's oral

advice for £1 (see ACCOUNTANCY, July, 1958, page 330).

The Secretary of the Law Society, in recommending the service to the public, stresses "the importance, in their own interests, of people consulting solicitors immediately their problems arise, rather than leaving it too late, as they have all too often done in the past." Words of wisdom, indeed! The most short-sighted view of the scheme is that it is designed to bring solicitors more work. In fact the long-term effect may well be quite otherwise, and the Law Society is to be congratulated on a public-spirited grasping of what must have been to them a rather prickly nettle. It is a pity that the Government, for its part, has refused to do anything about the grave hardship to unassisted litigants of being unable to recover costs when they defeat their assisted opponents, and has left the figures for the means test unaltered despite the inflation.

The Merrett Bequest

MR. HENRY CHARLES MERRETT, F.C.A., whose regretted death occurred on October 12 last at the age of seventy-seven, was the son of Mr. John Henry Merrett, F.C.A., one of the earliest members of the Institute of Chartered Accountants in England and Wales.

Henry Charles Merrett qualified as a member of the Institute in 1908. On J. H. Merrett's death a few years before, the son had taken over his father's practice in the City of London. He was later joined by Mr. J. G. Street and from then on the firm name was Merrett, Son & Street. H. C. Merrett retired from the firm in 1939 but retained a number of directorships.

He was educated at Mercers School and had a strong interest in the affairs of the school and of the old boys throughout his life; he was a member of Honor Deo Lodge, the Freemasons' Lodge connected with the school. He was also a Past-Master at the Worshipful Company of Tin Plate Workers and a liveryman of the Worshipful Company of Pattern Workers.

Mrs. H. C. Merrett died very

shortly after her husband. Under his will, subject to certain minor legacies three-quarters of the residue of the estate is to be held on protective trust for his daughter for life. The other quarter falls to the Chartered Accountants' Benevolent Association, and subject to the contingent interest of any issue of Mr. Merrett's daughter, the remainder of the estate will fall to the Association upon the daughter's death.

The Inland Revenue affidavit shows the gross value of the estate as £206,690 and the net value as £198,802. It will be seen that H. C. Merrett made a very munificent bequest to the Benevolent Association of the Institute of which he had been a member for half-a-century.

Restrictive Practices

THERE HAVE RECENTLY been two references to the Restrictive Practices Court.

In the case of the agreement of the Blanket Manufacturers' Association, the Association claimed that its recommendations to its members, relating to a minimum price for a "specified blanket," were justified under the Act. It argued that there was keen competition in the industry on both price and quality, and no stagnation. New manufacturing techniques had been adopted, and large sums invested in new machinery. Profits were modest, and a high proportion had been ploughed back. The price-fixing scheme, in operation since 1949, was based on the lowest cost of the member producing the cheapest specified blanket, plus 5 per cent. The cost taken was no hypothetical one nor was it one reached by averaging—it was an actual cost. The Association also relied on the report of the Wool Working Party (published in 1949), which recommended that "overmeasure" be abolished, and terms of sale standardised.

For the Registrar it was contended that if the Association really wanted to protect the public it could do so by applying the standards of the British Standards Institution. The restrictions represented rigidity, as contrasted with the flexibility which would prevail if a manufacturer had

the power, in free competition, to adjust his terms to particular circumstances and particular customers.

When this issue of ACCOUNTANCY went to press, judgment had not yet been given in this case.

Another case, that of the agreement of the British Constructional Steelwork Association, is of note on account of Section 12 of the Restrictive Trade Practices Act, 1956, having been invoked. The Association had abrogated the price-fixing scheme contained in the agreement and had undertaken to give the Registrar notice of any intention to revive the scheme or to introduce another price scheme. The price-fixing part of the agreement remained on the register, although other parts had been removed by a direction made by the Board of Trade under Section 12 of the Act, on representations from the Registrar of Restrictive Trading Agreements to the effect that those parts had no substantial economic significance. It was important that the price-fixing provisions, though inoperative, should remain on the register against the possibility of the Registrar desiring to take action on them in the future.

The Court declared that a draft order should be submitted to the Clerk of the Court reciting that the Association admitted the restrictions and that they were contrary to the public interest. Upon application by the Registrar for an injunction and upon the Association giving its undertaking, however, no actual order was made. The Court added that it was desirable that the words "by consent" should appear, as no doubt other parties would like to follow the same form of undertaking in the future.

Cheques on the Savings Banks?

THE BANKING REVOLUTION, rather less than a year old, still has far to go. The next impetus seems likely to come from the Trustee Savings Banks. Last month they announced that they were considering seeking powers to introduce cheque withdrawal, in the face of the competition from the commercial banks in the small man's field, so long considered

by the savings banks to be for them alone to cultivate. And the movement is also examining how it might meet the more generalised City competition, from unit trusts and others, for small savings.

Cheque-accounts at the savings banks would certainly provide formidable competition for the clearing banks in their drive to attract new "small" business. Most of the great marble institutions are probably still not wholly convinced that they can do a great deal of useful work in what may be loosely termed the "cloth cap" sector, even with advertising and a new look in bank premises. There are substantial difficulties to be overcome—of staffing, of hours of business and of physical accommodation. So far, moves, even by the *Midland*, have been tentative rather than full blooded: "people like you" are young rather than working class. But the Trustee Savings Banks are in a quite different position, and their whole way of life is much better adapted to the needs of this possible new banking public. A cheque drawable on an account that would still carry interest, even though the rate would presumably be less than the pure deposit rate, would carry the war into the enemy's camp. There could even be "people like us" who would transfer from orthodox to T.S. banking.

The T.S. banks are in other ways too differently placed from the commercial banks. Notably, they are subject to control by the National Debt Commissioners, through whom the Treasury keeps upon them a fairly restrictive hand. But there would seem to be no case for not allowing them to give the facility of cheque-withdrawal. However great a problem a vast new banking public might present to the banking system as a whole, it would clearly be in the public interest for democracy to be cheque-drawing as well as property-owning. And even less disputable would be the merits of any help from the savings banks towards the spread of shareholding amongst their customers, whether by sale over the counter of units in unit trusts (the English clearing banks are curiously shy of following the

Scottish lead in retailing units) or even by the formation of a unit trust of their own, a course which the chairman of the T.S.B. Association has so far scouted. He also thought, at last month's Press conference, that the T.S. banks need not seek to provide loan and mortgage facilities. Cheque books and some kind of investment facilities would certainly be something to be going on with.

Stimulating Investment in Ulster Through the Company Law

VERY SOON AFTER the report of the Committee appeared, the Government of Northern Ireland said that it agreed with the tenor of the recommendations made by the Departmental Committee on Company Law Amendment. A Government measure is to be introduced into the Ulster House of Commons to amend and consolidate the company law accordingly. The Committee was set up in 1956. Its report is Command 393 (H.M. Stationery Office, Belfast, 2s. net).

The Committee reviewed the report of the Cohen Committee and the amendments which in Great Britain were made to the Companies Act, 1929, by the Companies Act, 1947, and considered how far the 1947 Act should be adopted in amending the company law in Northern Ireland, as laid down in the Companies Act (Northern Ireland), 1932, which, apart from a few differences in the winding up provisions, is substantially the same as the 1929 Act in Great Britain.

Two principles, inspired by the fact that by comparison with this country Northern Ireland is very short of capital, guided the Committee. These principles were:

(a) that the statute law on public companies should conform as closely as possible to that in Great Britain in order not to deter the British investor;

(b) that private companies should be made an attractive vehicle for investment to keep local capital in the country and that there should be no hesitancy in departing from British legislation in order to attain that end.

Many of the provisions of the British Act of 1947 — now incorporated in the Companies Act, 1948 — were, the Committee found, in effect the expression of what had come to be recognised throughout the United Kingdom as the best administrative and accountancy practice: it was recommended that these provisions should, with the necessary adaptations, be enacted in Northern Ireland.

The most important recommendations in regard to the remaining provisions of the 1947 Act were as follows:

Private Companies

(a) private companies should not be divided into two classes (exempt private companies and others) as in Great Britain and no private company should be required to file its accounts with the annual return;

(b) private companies should not be required to send copies of their balance sheets and other documents to all members and debenture-holders automatically (as under Section 158 of the 1948 Act) but members and debenture-holders should be able to obtain copies of the balance sheet and auditor's report on request, within three days and without payment;

(c) the requirements on the qualification of auditors contained in Section 161 of the 1948 Act should apply to all private companies, with the proviso that (consequent upon recommendation (a) above) there would be no provision, as there is in that Section, allowing the auditor of an exempt private company to be other than a member of a recognised body of accountants or a person authorised by the Board of Trade;

All Companies

(a) the figures of directors' emoluments, pensions and compensation should not, as under Section 196 of the 1948 Act, be required to be included in or annexed to the balance sheet but should be required to be made available to all shareholders upon the demand either of twenty shareholders holding shares entitling them to vote at general meetings or of the holders of five per cent. of the shares having the right to vote at general meetings and that the company should have no right to withhold the information by passing a resolution as under Section 143 (1) proviso (i) of the 1932 Act. Directors' emoluments and the like should be defined as in Section 196 of the 1948

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Act except that the figure for "benefits in kind" under Sections 161 and 162 of the Income Tax Act, 1952, should be taken to be the estimated value of any other benefits received by a director otherwise than in cash;

(b) the auditor's consent should be made requisite to short notice of meetings;

(c) a remedy for oppression of minorities, going beyond that provided in this country by Section 210 of the 1948 Act, should be given.

What the Committee says on the oppression of minorities in companies, and the possible lessons for Great Britain, we discuss in the next Professional Note.

Oppression of Minorities

TO SUCCEED in obtaining relief, under Section 210 of the Companies Act, 1948, for minority shareholders who are oppressed, it must be proved to the satisfaction of the Court (i) that the affairs of the company are being conducted in a manner oppressive to some part of the members (including the petitioner); (ii) that to wind up the company would unfairly prejudice that part of the members; and (iii) that otherwise the facts would justify the making of a winding-up order under the "just and equitable" clause (see Section 221 (f) of the Act of 1948).

The Report of the Committee on Company Law Amendment in Northern Ireland (see the preceding note) emphasises the difficulty of satisfying a court that it is just and equitable to wind up a company (see *Buckley on the Companies Acts*, 12th edition, pages 455 to 460) and considers, in effect, that the requirement renders the Section ineffective to remedy the more common causes of oppression—such as the unreasonable refusal to register transfers of shares, the payment of excessive directors' salaries, and the placing of excessive sums to reserve without making provision for any dividend.

The Committee accordingly recommends that the company law in Northern Ireland should be rewritten so as to provide a remedy where (also) the powers of the directors are being exercised in a manner oppressive to the petitioner

alone or some part of the members (including himself) or in disregard of his or their proper interests as members of the company; and so as to enable the Court (in addition to its other powers) to direct or prohibit any act or cancel or vary any transaction. The rewritten clause omits (ii) and (iii) above but provides that if the matters complained of cannot be brought to an end the company may be wound up by the court. The personal representative of a deceased member of a private company is deemed a member of the company for the purposes of the Clause. There are also procedural recommendations aimed at simplification.

Until the recent decisions in *Scottish Co-operative Wholesale Society, Ltd. v. Meyer* (1958) 3 All E.R. 66 and *In re H. R. Harmer, Ltd.* (1959) 1 W.L.R. 62 (see ACCOUNTANCY for August, 1958, page 382, and December, 1958, page 633) no reported cases had been successfully taken under Section 210 of the Act of 1948, which was regarded as a dead letter. These two cases have established some important principles but it is clear from the judgments that the scope of the Section is severely limited. It will accordingly be interesting to watch the effect of the new recommendations if they become law in Northern Ireland, as there would appear to be good reason for a similar amendment of company law in Great Britain.

P. D. Leake Research Fellowship

THE P. D. LEAKE TRUST, founded under the will of the late Mr. P. D. Leake, F.C.A., invites applicants for a P. D. Leake Research Fellowship. An advertisement appears on our classified advertisement pages.

The Fellowship will be for one year beginning in October, 1959, and it may be held in one of three Universities—Birmingham, London, or Oxford. Accountants who are members of United Kingdom accountancy bodies recognised for the purposes of the company law here are eligible.

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accountancy profession is directly concerned, within the charitable object of the Trust, namely: "to benefit and advance the sciences of accounting and of political economy, including the subject of public finance and taxation."

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Further particulars may be obtained from the Registrar of the University of Oxford, to whom applications should be sent by April 30, 1959. The University of London has prescribed certain special conditions and an applicant wishing to have the Fellowship tenable there should apply for further particulars to the Director, London School of Economics, Houghton Street, London, W.C.2.

"Reckless" Statements—

IT IS WELL-ESTABLISHED law in civil cases (subject to what is said later) that a negligent statement is not actionable as a tort in the same way as a negligent act. For a statement to be actionable it must be wilfully false, or so reckless that the maker cannot be said to have genuinely and honestly believed it was true. This rule was established in *Derry v. Peek* (1889) 14 App. Cas. 337. In that case company promoters were held not liable for a statement contained in a prospectus that the company had authority to operate steam or mechanical trams, a statement which proved to be incorrect. (But see now Section 43 of the Companies Act, 1948.) The Court of Appeal held that fraud would be sufficiently established by proof that the directors had no reasonable grounds for believing the statement they made, but the House of Lords did not agree. If the defendants believed what they said, it mattered not how credulous they were or how groundless their belief. Fraud necessarily connotes dishonesty, and no degree of mere stupidity can serve in its place.

In *R. v. Bates* [1952] 2 All E.R. 842—a criminal case—it was held by Donovan, J., that the word "reck-

less" in the context of Section 12 (1) of the Prevention of Fraud (Investments) Act, 1939, should be given its ordinary meaning and not restricted to recklessness involving dishonesty, although it must be construed as covering a high degree of negligence without dishonesty. In that case the defendants were charged on indictment with an alternative count under Section 12 (1) that they attempted to induce persons to invest money by the reckless making of a forecast which was misleading, false or deceptive. An application to strike out the count on the ground that, in the absence of fraud, the defendants could not be convicted on the count, was refused by the Judge.

In the recent case of *R. v. McKinnon* [1958] 3 All E.R. 657, Salmon, J., has disagreed with Donovan, J., and has held that in Section 12 (1) the reckless making of a statement or forecast means a statement or forecast made by a person who does not care whether it is true or false—a dishonest or fraudulent statement, as distinct from one made with an honest belief in its truth. His Lordship held that since Section 12 (1) is a penal provision in an Act directed to the prevention of fraud (as its very title implied), it would be wrong to approach its construction on the basis that the word "reckless" had a wider meaning than that attached to it by the majority of the House of Lords in *Derry v. Peek*. So—to what will be the relief of most people concerned with the giving of investment advice—we are back where we were. Section 12 (1) of the Act of 1939 has now become Section 13 (1) of the Prevention of Fraud (Investments) Act, 1958, but the wording of the offence is the same.

—And Liability to Clients

THERE ARE TWO main exceptions to *Derry v. Peek*. First, where there is a contract between the parties. Second, where a fiduciary relationship exists between them. The existence of the contract or the fiduciary relationship may make a defendant, in the absence of fraud, civilly liable for a negligent statement as well as a negligent act. A fiduciary relationship is not easy to

define adequately, but in *Plowright v. Lambert* (1885) 52 Law Times Rep. 646, Field, J., said:

The fiduciary relationship, as it is called, does not depend upon any particular circumstances. It exists in almost every shape. It exists, of course, notoriously in the case of *cestui que trust*, it exists in the case of guardian and ward, of parent and child, of solicitor and client.

In *Nocton v. Ashburton* (1914) A.C. 932, a mortgagee brought an action against his solicitor claiming to be indemnified against the loss sustained by having been improperly advised and induced to release part of a mortgage security, whereby the security became insufficient. The mortgagee was held entitled to relief on the footing of a breach of duty arising from a fiduciary relationship between the parties. In *Erskine v. Sachs* [1901] 2 K.B. 504, too, it was held that the relationship existed between stockbroker and client.

In *Woods v. Martins Bank, Ltd.* [1958] 3 All E.R. 166 (see ACCOUNTANCY, October, 1958, page 542, and November, 1958, pages 591-3) Salmon, J., found the bank manager as well as the bank liable for the giving of negligent investment advice to the plaintiff, although the manager himself was not in contractual relationship with the plaintiff. The reason for this decision was not given in the judgment as earlier reported and has provoked some speculation as to its nature, but the judgment has now been revised by the learned Judge (see [1959] 1 Q.B. 55, page 72) so as to include the following sentence: "In my judgment a fiduciary relationship existed between the plaintiff and the defendants." The word "defendants" here includes both bank and manager.

It would seem to follow that the managing clerk of a firm of accountants who is clothed by his principals with authority to advise clients of the firm, or prospective clients, on investment matters, and who does so without reasonable care and skill, may himself be at risk no less than the partners.

Rating of Charities—

JUST OVER A year ago a committee

was appointed by the Minister of Housing and Local Government to consider the rating of charities (ACCOUNTANCY, February, 1958, page 49). The committee has not yet reported, but since it was set up the courts have given rulings that have gone a long way towards clearing up the confusion that led to the setting-up of the committee. The rating authorities should now be able to complete pretty well all the outstanding valuations under Section 8 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955.

The controversial issue was the meaning of two phrases in the Section—"not established or conducted for profit" and "whose main objects are charitable or otherwise concerned with the advancement of religion, education or social welfare." Hereditaments within the definitions are more favourably treated for rating than others.

It is now established that the fact that profits are made does not necessarily exclude an organisation from the benefits of the Section. It must be apparent, however, that the accumulation of profits is merely an incident in the achievement of its objects. The objects must be determined by reference to the written constitution. If it is not clear which, out of a number of objects, are the main ones, evidence may be received on the actual activities of the organisation. When the main objects are established it is necessary to show that they are *wholly* concerned with or directed to the advancement of one or more of the prescribed purposes, not just partially or incidentally concerned with them.

It appears that the term "education" means the general training of the mind and that training for particular aptitudes for professional advantage is not "education." The "advancement of religion" means the dissemination and propagation of some specific faith, and moral teaching or metaphysical speculation alone does not come within the term.

There have been several legal cases on the meaning of "social welfare," and while no final definition can be given some broad conclusions can be drawn from the opinions of the

courts. "Welfare" can be taken as the state of being well, whether in the physical, mental or material sense. An object concerned with the welfare of society, or a sufficiently large section of it, can therefore be considered as "social welfare." The activities need not necessarily be of a purely charitable or gratuitous nature, but they must be undertaken from a sense of obligation and recognised as good works. If the persons benefiting are only those who have paid or contributed financially, it is not likely that the activities will be considered as social welfare.

—And Continuance of Relief

CLAUSE 2 OF the new Rating and Valuation Bill, the main object of which is discussed in another Professional Note, provides that notices under Section 8 (3) of the 1955 Act, to terminate or reduce the compulsory relief to charitable and other organisations, will not take effect before March 31, 1963. Thus unless there is some further change the relief will continue for the duration of the current list. During the second reading of the new Bill, the Minister of Housing and Local Government said that he was not giving any pledge that there would be no further legislation on the issue until 1963. The present position will be held until 1963, unless further legislation is passed meanwhile.

There are about 53,600 properties subject to reduced rates, and enjoying in all relief of £2.6 million, which is equivalent to slightly more than the product of a penny rate throughout the whole country.

One Member of Parliament objected to the fact that local authorities will now be unable to use their discretion in the rating of charities (and in particular, universities) until 1963. He said that the City of Oxford loses 9 per cent. of its possible rate income because of the allowances, mainly to the university. Cambridge loses 15 per cent. and Aberystwyth 17 per cent. He appreciated, however, that the loss is partly offset by the Exchequer Equalisation Grant and its successor the Rate Deficiency Grant.

The Company Report and Public Relations

THE EMBELLISHMENT OF company reports and chairmen's speeches was to be welcomed. But two things were to be avoided—the personal boost and the attempt to be facetious. As soon as a company report seemed to be a vehicle for the aggrandisement of one person it became suspect. And it was no place for being funny. So spoke Mr. Paul Bareau in an address "Are Public Relations a Waste of Time and Money?" to the London and District Society of Chartered Accountants recently.

Mr. Bareau urged accountants to make further efforts towards illustrated and well-printed accounts. There was much scope for improvement in the presentation and display of chairmen's speeches. Very often the chairman's speech gave no idea of what the company was engaged in. It was important not to be too lush with the report. One very shrewd investor had told him that he sold his *Shell* shares on the day he received free of charge a glossy *Shell* publication estimated to have cost about five guineas a copy. He said that the old *Shell* company was built up on farthings.

Attempts to create a matey atmosphere with shareholders by asking them to visit the works did not, Mr. Bareau thought, go down as well here as in the United States. Shareholders did not acquire that feeling of brotherhood and sisterhood until things went really wrong—as they did in the B.S.A.-Docker upset, which produced the most exciting company meeting he had attended, apart from what used to be called the "Gordon riots."

House journals were a good way of getting close to the workers but they should eschew diagrams of cakes or piles of shillings, because the share going to the directors would always appear too big. The phrase "You never had it so good" was bad psychologically, whether in business or in politics. Good relations with workers were most difficult to create and essentially called for the personal touch.

Mr. Bareau cited the *British Aluminium* affray as a recent example

of lack of public relations in the early stages and inept public relations in the later stages. The company had lost the fight before it began, because the public relations which could have been decisive had not been looked after.

Shorter Notes

The Chartered Accountants' Benevolent Association

The annual meeting of the Board of Governors of the Chartered Accountants' Benevolent Association will be held at the Institute of Chartered Accountants in England and Wales, Moorgate Place, London, E.C.2, at 2.15 p.m. on Wednesday, March 25, 1959.

Decimal Coinage in South Africa

The unit of the decimal coinage to be introduced in South Africa will be 10 shillings, to be known officially as the "rand." It will be divided into 100 cents. The pound-mill and pound-cent systems were considered to be less convenient.

"Public Placings" by Nationalised Electricity

In our issue of December, 1958 (page 633), we questioned the high limits proposed for the future borrowing of the nationalised gas and electricity industries. The Electricity (Borrowing Powers) Bill put the limit for the Electricity Council and the two Scottish Boards at £1,060 million for a period ranging up to 1965. The Government now proposes that beyond £475 million any borrowing must have Parliamentary approval by Orders. Parliament will thus be able to debate the borrowing policy of the industry—and perhaps to insist on more self-financing.

N.I. Contributions in Workless Weeks

From February 16 last a Class 1 (employed persons) contribution for National Insurance is not payable by the employer for a week in which an employee does no work and for which he receives remuneration of £2 or less, whether as wages or holiday pay. Previously, a Class 1 contribution was payable in these circumstances if the employee got any remuneration, holiday payments up to £1 being ignored. A Class 3 (non-employed) contribution normally has to be paid by the employee if there is no liability for a Class 1 contribution.

EDITORIAL

What Does the Red Box Hold?

THIS year there has been the usual long list of claimants for entry into the Chancellor's red box in which he locks up his Budget secrets. A reduction in the standard rate of income tax; something off the reduced rates; bigger earned income and child allowances; release of post-war credits; mitigation of the purchase tax; restoration of investment allowances; the scrapping of Schedule A; a lowering of petrol duty; the slicing of stamp duty on share transfers—these are the more pressing claimants. What distinguishes this year from most in our recent experience is that on Budget day it may well be found that some tax concessions of real substance have got into the box.

It would, indeed, be surprising if the Chancellor did not decide to reduce the tax yield in the coming financial year by at least £200 million. A conclusion on which economists of right, left and centre are agreed is that there is a good deal of unused productive capacity in the country, and that demand in 1959/60, unless stimulated by the Government, is very unlikely to expand enough to take up the slack. There are, to be sure, differences of opinion about how much additional demand should be injected into the economy via the Budget and about the directions in which the injection should be applied. On the question of quantity, the lowest figure we have seen given for the reduction in tax yield at which the Chancellor should aim is £100 million, and the highest is £500 million. On the question of direction, some would have Mr. Amory expand consumers' demand, to the virtual exclusion of acting directly on investment; others think that the Budgetary stimulus should directly boost investment in industry. It seems to us that it would be in line with Government policy if the Chancellor put enough monetary demand in the system to have a quite powerful effect upon consumers' expenditure—in which an expansion of only one per cent. amounts to practically £150 million—leaving investment, in capital goods and in stocks, to be stimulated indirectly by the increased consumption. We do not expect a direct stimulus to investment to take a major part of what the Chancellor feels he can forego in the tax yield. That is not to say that the rate of industrial investment in Britain is other than very disappointing, whether put against the rates of our competitors abroad, or judged simply on its merits in the national setting. But if businessmen are to lay down more plant or put up more factories, the prerequisite is that they should see ahead of them an expanding demand for consumers' goods. When the wind blows chill, few who can avoid it venture out.

For a general expansion of consumers' demand, with a limited admixture of direct encouragement to investment, what is the specific? Surely the income tax. Reductions of sixpence in the standard rate and of threepence in each of the three reduced rates would cost the Chancellor some £120 million a year. It is difficult to see how he could better dispose of a sum of that order. There have been some commentators who have argued for a shilling off the standard rate, even if as a result no other tax remissions can be made. They seem to be pushing too hard in one direction. Aside from the fact that this is probably an election year, economics as well as equity requires that those who pay little or no income tax should receive a share in tax relief, since from them comes a very large part of the total consumers' demand.

It would follow (if we are not going too far in risky pre-Budget rationalising) that a lowering of the rates of purchase tax is the next most likely contender to have found a place in the red box. There is also the fact that the Treasury will doubtless have been doing exercises on another kind of rationalising—the rationalising of purchase tax which would result from carrying further the reduction, started last year, in the number of its bands. In his 1958 Budget, the Chancellor cut down the seven rates to four: will it be three this year, taking us a step nearer the uniform purchase tax which many see as the British counterpart of the sales taxes of other countries?

After the income tax and the purchase tax, there would then figure on our own list of priorities the post-war credits and the stamp duty. Perhaps at this point there would not be much money left to remit, but if there were still some, a speeding up of the repayment of the credits, by lowering the minimum age or, preferably, by encashing the credits of 1941, the first year of issue, would be both just and consistent with the policy of expanding consumption. The stamp duty on share transactions certainly should be reduced, if not abolished, but for "should" one cannot confidently read "will." (Even if there proves to be no reduction in the duty there is ample scope for making the stamp duties as a whole a more sensible form of taxation, as an article on later pages shows.) Our list of candidates cannot be lengthened further, but there are admittedly many accountants whose own short lists would find a place for the abolition of Schedule A, particularly on owner-occupied property: our first Professional Note indicates why we do not join these members of the profession.

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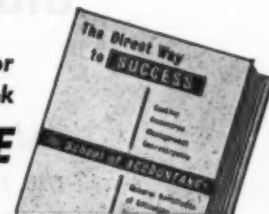
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As hire purchase grows, so does the importance of correctly accounting for deferred revenue in the books of the hire purchase concern. Mr. Greaves reduces the problem to its simplest terms. He also shows how the hirer's accounting should be done.

Accounting for H.P.

by P. J. Greaves, M.A., A.C.A.

Joint Managing Director, North Central Wagon & Finance Co. Ltd.

ACCOUNTING FOR DEFERRED revenue is basic in hire purchase accounting.* Textbooks have made the issue seem very complicated but in reality it is simple.

These figures for a hire purchase agreement for a motor car may be taken as typical:

| | | |
|--|-----|-----|
| Cash price | £ | 900 |
| Down-payment | 300 | |
| | 600 | |
| Hire purchase charges at 8 per cent. per annum for 2 years, namely, 16 per cent. of £600 | 96 | |
| | 696 | |

Total payable by 24 monthly instalments of £29 0s. 0d. each.

The true interest equivalent of a flat rate of 8 per cent. for 2 years is 14.664 per cent. per annum or 1.222 per cent. per month.

| Col. 1 Month No. | Col. 2 Capital outstanding at beginning of month | Col. 3 Monthly instalment | Col. 4 Interest on capital outstanding for one month at 14.664 per cent. per annum or 1.222 per cent. per month | Col. 5 Balance of instalment, being capital (col 3 - col. 4) |
|---------------------|---|------------------------------|--|---|
| | £ | £ | £ | £ |
| 1 | 600.000 | 29.000 | 7.332 | 21.668 |
| 2 | 578.332 | 29.000 | 7.067 | 21.933 |
| 3 | 556.399 | 29.000 | 6.799 | 22.201 |
| 4 | 534.198 | 29.000 | 6.528 | 22.472 |
| 5 | 511.726 | 29.000 | 6.253 | 22.747 |
| ↑ | ↑ | ↑ | ↑ | ↑ |
| 22 | 84.867 | 29.000 | 1.086 | 27.914 |
| 23 | 56.953 | 29.000 | .698 | 28.302 |
| 24 | 28.651 | 29.000 | .349 | 28.651 |
| | | 696.000 | 96.000 | 600.000 |

Thus if nothing goes wrong the hire purchase company will make a gross profit of £96, since it pays out £600 and will receive back £696 during the course of two years. The problem is how to apportion the £696 over the two years. In other words, each instalment can be regarded as containing an element of capital and an element of revenue and the accountant has to decide what proportion of revenue each instalment contains.

Let it be said at the outset that there is no single correct answer to the problem. Three methods are most commonly used in commercial practice. They are:

A. To spread the charges evenly over the period of the agreement by equal monthly instalments. Each instalment of £29 in the illustration would be regarded as being made up of £4 revenue and £25 capital.

B. To do an actuarial computation on every agreement by first ascertaining the true equivalent rate of interest and applying this to the outstanding capital each month to ascertain the correct revenue for that month, reducing the capital by the balance of the instalment. The method is illustrated in the worked-out example.

C. To carry forward at each accounting date an arbitrary percentage of the gross debt in the form of deferred revenue, the balance of the hire purchase charges being regarded as revenue which has accrued due at the date in question. The arbitrary percentage is supposed to be the average percentage which would result from an actuarial computation on every agreement at the date in question. In the example given the outstanding gross debt at the end of twelve months would be £348 (one-half of £696)

* The article is based upon a lecture given last session to the Chartered Accountants' Students' Society of London. The lecture covered, as well as accounting for hire purchase transactions, the following topics: the history of hire purchase finance; the distinction between hire purchase and other forms of instalment credit; the advantages and disadvantages of hire purchase; the legal position of the parties to a hire purchase agreement; the various methods of financing sales on hire purchase; and the operation of hire purchase finance concerns. The rate of interest given in the examples was representative at the time of the lecture but is rather higher than now applies.

and if it were decided to carry forward $7\frac{1}{2}$ per cent. of this amounting to £26 2s. 0d. one would say that of the original charges of £96 0s. 0d., £69 18s. 0d. was attributable to the first twelve months and the balance to the second twelve months.

Of these three methods C (the arbitrary percentage) is used by some hire purchase concerns because it is so simple. In my view simplicity is its sole virtue and I do not think it is a desirable method to use. It is impossible to determine a percentage which reflects the true position when applied to many thousands of agreements on the books of a hire purchase concern, agreements which are subject to differing scales of charges and on which the average expired periods may vary substantially from year to year. Thus it may be necessary to make a fresh estimate each year of the appropriate percentage (or guess at it). It will readily be seen that by altering the percentage from year to year one can easily influence the trend of profits of a company in a way which is not possible if a consistent method is used year in and year out.

Method B (the actuarial method) is in some respects the most accurate but it is tedious to work out and unfortunately there is no exact formula for arriving at true interest equivalents, although there are some formulae which give fairly close approximations. The exact true interest equivalent can be ascertained only by a process of trial and error. (It follows that the examination candidate should steer clear of the method unless he is given a figure for the true interest equivalent in an examination question, while if that figure is given then there is an obvious invitation to adopt the method.)

Method A (spreading the charges evenly over the period of the agreement) is, in my view, the best method to adopt in normal circumstances. It is certainly the simplest and, from the point of view of a hire purchase concern or a vendor of goods on hire purchase terms, it is the most conservative method of dealing with hire purchase revenue that is to be found in general commercial use. By "conservative" I mean that the method results in credit being taken for revenue more slowly than under other methods so that, at any accounting date, a bigger proportion of the hire purchase charges is carried forward for crediting to revenue in future periods. This factor is important because future periods have to bear certain expenses relating to hire purchase agreements on the books at any given date and if the proportion of hire purchase charges carried forward is not sufficient to cover these expenses then the accounts may show a loss in the future. The future expenses which have to be covered at any accounting date include:

- (i) The cost of borrowing the money necessary to finance the transaction to its conclusion.
- (ii) The cost of collecting and recording the remaining instalments—including, possibly, legal charges.
- (iii) Rebate of hiring charges which is normally allowed to the hirer for completion of any hire purchase agreement appreciably earlier than its normal maturity date.
- (iv) Some allowance for bad debts.

Using method A, one of the largest of the hire purchase

companies showed at September 30, 1958, some £3.8 million of deferred revenue carried forward on a gross hire purchase debt of some £29 million (after making full provision for doubtful accounts), representing about 13 per cent. If an actuarial method has been used the percentage of revenue carried forward would have been about 8 per cent.

In my opinion the figure for deferred revenue should be shown as a deduction from the asset item in the balance sheet representing the gross hire purchase debt due to the company. In that way, the net investment in hire purchase is clearly indicated. Some hire purchase companies show the deferred revenue as a separate item on the liabilities side of their balance sheets. The effect is to inflate the balance sheet totals. In my view the method is incorrect: it results in there being included in the assets on the balance sheet something which the company knows it cannot expect to receive in full, since the deferred revenue can be received only after deduction of the costs of collection and interest charges and, what is more important, after providing for taxation.

While there is no hard-and-fast rule about what method should be adopted for spreading hire purchase charges, it is most important that the selected method be applied consistently from year to year. Over a period of years every method gives the same result but variations in the method of calculating deferred revenue will result in distortion of profits as between one year and another.

So far I have dealt with the spreading of the revenue arising from the hire purchase charges, but a retailer who sells his goods on hire purchase terms will have a second item of revenue to spread over the life of an agreement—namely, the gross profit on the goods sold. It is usual for traders to spread this gross profit evenly over the period of the relevant hire purchase agreement and to show in their balance sheets an item representing the gross debt receivable from their hire purchase customers, deducting therefrom the amount of the deferred hire purchase charges and the deferred gross profit on the goods which are the subject of the hire purchase agreements.

Accounting by the Hirer

A trader who is buying goods on hire purchase terms is also faced with a book-keeping problem. The points of difficulty lie in the treatment of the asset account and in dealing with the hire purchase charges. Strictly speaking the transaction is one for the hire of goods with an option to purchase at the end of the period of hire and thus no rights of ownership materialise until the hire purchase agreement has been completed. Notwithstanding the strict legal position it is usual for assets being acquired on hire purchase terms to be shown in the balance sheets of the hirers at their full cash cost, with a deduction therefrom for the capital element in the hire purchase instalments payable after the date of the balance sheet and a further deduction for depreciation to date computed on the full cash cost of the goods.

It is common practice for purchasers of goods under hire purchase agreements to spread the hire purchase charges evenly over the period of the agreement. Thus,

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the hire purchaser of the car in the transaction referred to earlier might, if he used the car wholly in his business, record the transaction on the following lines, assuming that the transaction were entered into on September 30 and the hirer made his accounts up to December 31 annually, charging depreciation on a reducing balance basis of 25 per cent. per annum:

| I. Debits to profit and loss account | | £ |
|--------------------------------------|--|-----|
| Year 1 | Depreciation (3 months) | |
| | 1/4 of 25 per cent. of £900 | 56 |
| | Hire purchase charges: | |
| | 3/24 × £96 | 12 |
| | | 68 |
| Year 2 | Depreciation | |
| | 25 per cent. of (£900—£56) | 211 |
| | Hire purchase charges: | |
| | 12/24 × £96 | 48 |
| | | 259 |
| Year 3 | Depreciation | |
| | 25 per cent. of (£900—£56—£211) | 158 |
| | Hire purchase charges: | |
| | 9/24 × £96 | 36 |
| | | 194 |
| II. Balance Sheet (assets side) | | £ |
| Year 1 | Motor vehicle at cost | 900 |
| | Less: Depreciation | 56 |
| | | 844 |
| | Less: Capital proportion of amount outstanding on hire purchase agreement (21/24 × £600) | 525 |
| | | 319 |
| Year 2 | Motor vehicle at cost | 900 |
| | Less: Depreciation | 267 |
| | | 633 |
| | Less: Capital proportion of amount outstanding on hire purchase agreement (9/24 × £600) | 225 |
| | | 408 |
| Year 3 | Motor vehicle at cost | 900 |
| | Less: Depreciation | 425 |
| | | 475 |

For taxation purposes business assets which are subject to hire purchase agreements are treated as though they are the property of the hirer throughout the hire purchase agreement but there is an important distinction between the amounts on which annual allowances on the one hand and initial allowances on the other hand are based.

For the purpose of annual allowances the asset is regarded as having been acquired for its full cash price on the date on which the hire purchase agreement commenced. Initial allowances are computed only on so much of the cash price as has actually been paid during the basis period in question. Using the previous example by way of illustration and assuming that the trader entered into the hire purchase agreement on September 30, 1958, making up his accounts annually to December 31 the capital allowances would be computed on the following

lines (assuming that no complications arise out of commencement or cessation of business):

(Annual allowance $5/4 \times 20$ per cent. = 25 per cent.)

| | | Written-down value £ |
|---|-----|-------------------------|
| Cost at September 30, 1958 | | 900 |
| Allowances 1959/60 | | |
| Annual: 25 per cent. of £900 | 225 | |
| Initial: 30 per cent. of (down-payment plus $3/24 \times £600$), namely 30 per cent. of £375 | 112 | |
| | | 337 |
| | | 563 |
| Allowances 1960/61: | | |
| Annual: 25 per cent. of £563 | 141 | |
| Initial: 30 per cent. of $12/24 \times £600$.. | 90 | |
| | | 231 |
| | | 332 |
| Allowances 1961/62: | | |
| Annual: 25 per cent. of £332 | 83 | |
| Initial: 30 per cent. of $9/24 \times £600$.. | 68 | |
| | | 151 |
| | | 181 |
| Allowance 1962/63: | | |
| Annual: 25 per cent. of £181 | 45 | |
| | | 136 |

Accountancy

The air mail edition of ACCOUNTANCY is available either for subscription on a permanent basis or for odd periods (for example, to cover a temporary stay abroad). It is printed on special thin paper, and the overseas subscriber receives part of the world. The each issue only a few days after publication on the twentieth of the month in London. The addition of £2 14s. to the normal charge of £1 10s. covers only the cost of air mail postage, that of the special paper being borne by ACCOUNTANCY.

by Air

In a paper read at the Retail Management Conference of the British Institute of Management at Harrogate this month, Mr. M. J. Glenn, who is head of the Personnel Group of Marks and Spencer Ltd., told the story of the campaign waged by his company against complicated systems and wasteful practices. Simplification reduces costs and leads to the better use of people. We give the substance of Mr. Glenn's paper.

Simplification for Efficiency

IN THE LAST few years there has been a growing awareness in industry of the evils of excessive paper-work, of wasteful practices and useless statistics. All accumulate automatically in every organisation, unless there is a conscious recognition of the danger and a positive determination to combat it. Excessive paper-work and wasteful practices are born of inertia. Paper increases because people avoid the effort of personal contact and come to rely on the exchange of correspondence. Wasteful practices arise from the failure to apply commonsense to systems and methods. They are also the outcome of resistance to change. New technologies, new materials and changing needs all demand new ways. Commonsense and flexibility of mind—the willingness to change with changing needs—are rare qualities.

Perhaps the greatest evil is the growth of statistics, because management too often encourages the growth in the belief that statistics illuminate the business and that the more there are the better will be the management control. The danger is aggravated by the ease with which statistics can be mass-produced in these days of modern accounting machinery. Even the familiar punched-card systems are easily abused—they are very tempting if there is tabulating time to spare. Wherein lies the danger? It lies in the fact that statistics come to be valued for themselves to the neglect of the people or things they represent. Their growth leads to dependence on paper and remoteness from people and their work. They generate a wrong attitude of mind and, what is worse, they employ valuable human beings on purposeless jobs.

Directive for Simplification

A cure for these things is to make a determined attempt to simplify the organisation, and this is just what the Board of *Marks and Spencer* set out to do three years ago. The Board issued a firm directive that everybody from the top executive to the most junior supervisor should take vigorous action to get rid of wasteful practices. The directive went on to emphasise that this was not an economy campaign. There were to be no foolish savings, and standards were not to be lowered. Perhaps the most significant corollary was the emphasis placed by the Board on the need for closer personal contact between all sections of the business. Elaborate systems were swept away. Letters and information circulars were virtually

banned. Instead, instructive conferences of managers were held, and members of head office were encouraged to be more energetic than ever before in visiting the stores and studying anew how they operated. From this intensive two-way traffic, ideas emerged which were to lead to a much more personal and more simplified business. All through the changes which took place ran this theme of personal contact and personal responsibility. The aim was, in fact, to change people's attitudes and to get everyone to understand what the Board was trying to do, and to join wholeheartedly in the campaign. There is no doubt that the aim was achieved.

Work Study

We hear a good deal about work study these days. The sensible application of work study to every activity in a company will achieve progressive simplification, but a word of warning is needed here. Even good work study often fails because the work study officer or team lacks sufficient seniority and authority to get things done. Again, work study is too frequently aimed at improving systems and methods, and seldom asks the fundamental question "Is the system necessary at all?" There must be both the courage and the authority to sweep away systems without replacement, and to streamline to the point where it begins to hurt. Work study will be ineffective unless there is a positive interest and drive by top management. Given the necessary impetus from the top, it is possible to develop a constant awareness in all grades of staff of the need to simplify and streamline their jobs. In short, every member of the business becomes engaged in work study—the only way to get the desired results.

The Price of Perfection

One of our first attacks was on the system used to provide merchandising information from the stores, on which the production of goods and their eventual distribution to the 237 stores is based. Neither production nor distribution can ever be perfect, but it is understandable that people should strive for perfection. We had a detailed system of recording sales, stocks and requirements which was theoretically sound. Unfortunately it took many people a lot of time trying to digest the information and trying to act upon it. They were tied to paper and could not see the

merchandise for the figures. This system was completely swept away and members of the staff were invited to pay more attention to the goods themselves, which they then had time to do. As a result, very short summaries are now sent to head office and many simple ways have been developed for giving the stores a reasonably balanced supply of goods. The principle emerging here is that of sensible approximation. The price of perfection is prohibitive. By the action taken in this, and similar fields, the paper thrown out by the company amounted to some twenty-two million pieces per year. Distribution of goods did not suffer—the revitalised interest taken in the problems by those freed from the sea of figures more than compensated for the loss of detailed information.

The Proper Use of People

Simultaneously with this drive on unnecessary paper we stopped recruitment. The great majority of our labour force is female, and there is a natural steady turnover of female staff for the many obvious domestic reasons. We were, therefore, able to reduce our total staff, if need be, by simply not replacing those who left us. It became apparent in the early weeks of this exercise that each step in simplification meant that the system could operate with fewer people. As simplification proceeded, the staff numbers steadily ran down. At the same time, we were able to redeploy people from unproductive to productive work.

We took another important step. We realised that the staff in the stores had become too specialised, largely because of the forms and systems used. For example, we had many stockroom specialists. Our stockrooms were virtually isolated from the sales floor. Sales girls had to fill up a form if they required stock for their counters. This stock was sorted out by a stockroom specialist and eventually delivered to the counters. We abolished this practice and threw the stockroom open to all, so that at quiet times the sales girl could simply go and replenish her counters. This not only saved time and paper, and speeded up the flow of goods, but it paid an unexpected dividend in that the sales staff quickly became far more interested in their job. They were now, as it were, responsible for running their own shop. Again, the pressure of business in the retail trade is most uneven. There are times when the sales floor staff can help the stockroom or the clerical office, and there are times when everybody behind the scenes is better employed in selling goods to the public. We found that with a free interchangeability of work, there was greater total productivity. We could get more done with even fewer people. At this stage we decided to shrink the number of categories and to call everyone "general staff" below the management and supervisory grades. The idea soon caught on and we were gratified to see that people were only too ready to drop their specialisation and to give help wherever it was needed. By this means we were able to permit the staff to continue to run down for a year or two, with the result that we are today achieving a larger volume of turnover with some 20 per cent. less staff than we had three years ago. The wage bill is the greatest expense in any retail

operation, and it will be appreciated how this reduction in numbers has made a substantial contribution to the lowering of operating costs. Such savings in the operating costs have made it possible to benefit the public by lowering prices, to help finance further development, and to increase the wages of the present staff.

People can be Trusted

Another guiding principle is the fact that people can be trusted. Once this is recognised, a whole host of accountancy checks and cross-checks can be thrown overboard. This in turn saves time, staff and money. One small example, which met with considerable press publicity at the time, was the decision to abolish time clocks. If a supervisor is worth her salt she must know the people under her, and their strengths and weaknesses, and she will certainly know whether they are punctual or not. As a result of this step, punctuality actually improved, and there is no doubt that it was a very popular move with the staff. From this instance, and many similar ones, the important general lesson emerged that, if people are trusted, and so gain self-confidence, the necessary degree of management control can be achieved by means of occasional spot checks, which are far more satisfactory and far more economical than a whole series of permanent control systems. Morale is also improved.

Never Legislate for Exceptions

There is a further principle of some importance. Never legislate for exceptions. That is, never attempt to dot all the i's and cross all the t's. Leave as much as possible to the commonsense of those who are entrusted with managerial positions. It is very tempting to collect and amplify instructions into manual form. Once a department becomes manual-minded the manuals grow. Whenever a new situation arises, however trivial, an amendment is made. Eventually everyone works to the book rather than by the dictates of commonsense. This is particularly true in the field of staff management where, if the staff manager or the staff manageress is freed from the burden of detailed regulations, he or she can make human and just decisions on the spot depending upon the particular circumstances. All that is needed is a set of guiding principles with an understanding of the spirit behind them, together with a few essential details such as wage rates, holiday entitlements, and the like. Our staff manuals were cut to the minimum. Here again, a somewhat unexpected benefit showed itself. Whereas managers previously felt the need to write to head office for guidance in many matters affecting the administration of the staff, they rose to the occasion when they saw that they were responsible for making decisions. The flow of paper stopped, and the local decisions made were often more just and sensible because they were based upon a personal and intimate knowledge of the case.

A Few Examples of Simplification

Every step in simplification leads to others. For example, the elimination of most of the merchandising statistics led to the development of special packs based on national

ratios of sizes. This, and other changes, improved the standard of distribution to the stores. The buying departments rationalised packaging, particularly of foodstuffs, to reduce handling—that is, tailoring the package to the needs of the stores.

The system of booking in goods at the stores was overhauled, and the need to write out in detail what each parcel contained disappeared. This reform alone saved 200,000 documents each week. Railway transport accounts were fully checked as a routine, until it was realised that the cost of doing so was far greater than the few discrepancies discovered. For the same reason the central inventory of equipment, involving as it did a stock control of some 50,000 items, was abolished. The losses are less than the cost of control.

Again, a method has been introduced by which wages of store staff are calculated, with all the tax complications, in London. A few experts are required at the centre instead of one in each store. Staff records were enormously simplified. In the same field, the system of progress reports on people was studied and found to be far too detailed. After all, it is quite sufficient to know in all but exceptional cases, whether a person is outstanding, good or below standard. This is especially true if, by continuous and energetic personal contact, everyone in the company is known personally to those responsible for their development.

The various savings in store office work arising from simplified procedures have led to a reduction in the permanent store office staff of 50 per cent. and to a con-

siderable reduction in the administrative and clerical work at head office.

The Benefits of Simplification

It is worth while summarising the main benefits which follow simplification, especially as some of them are unexpectedly great. Obviously the first striking benefit is the reduction in operating costs, which means that the company can be more commercially efficient and can pass on some of the savings to the public. Here is a contribution to the war against inflation.

Equally striking is the improvement in morale. People want to work and they want to work purposefully. The abolition of needless paper work, and the proper use of the time saved, leads to a better knowledge by all staff of the goods they handle, and by management of the people they manage.

A third benefit is the reduction in the time needed to train newcomers. With a simplified operation, people learn more quickly, and are ready sooner for positions of increased responsibility.

In describing some of the major changes which have been brought about by an intensive campaign, it is recognised that they would not be applicable to all retail organisations. Each company has its own approach and its own special needs. There is no doubt, however, that the principles which emerged are valid, not only in the retail trade but in industry as a whole—in fact, wherever there are people at work.

A Reform Long Overdue

—Building Society Accounts and Audits

The Government is considering whether legislation should be brought in reforming the law on building societies. In any such legislation, the accounting of the societies and the auditing of their accounts should appear prominently, for the time is overdue for reform in these directions. A very clear statement of the main heads of reform was given by Mr. G. R. Appleyard, F.C.A., in his address as chairman of the City of London Building Society on the report and accounts for the year ending September 30, 1957, and with permission we reproduce his address.

The main statutory requirements relating to the accounts and audit of building societies are to be found in the Building Societies Acts of 1874

and 1894—two 19th century Acts—passed at a time when according to the official year book the total assets of all building societies were about

£18,250,000. At the present moment the total assets of all building societies are approximately £2,200,000,000.* It is not surprising, therefore, that the Registrar has called for and obtained changes in the Statutory Form A.R.11 (which is what you would know as the societies' annual accounts) and you will see that we are using this new form for the first time this year.

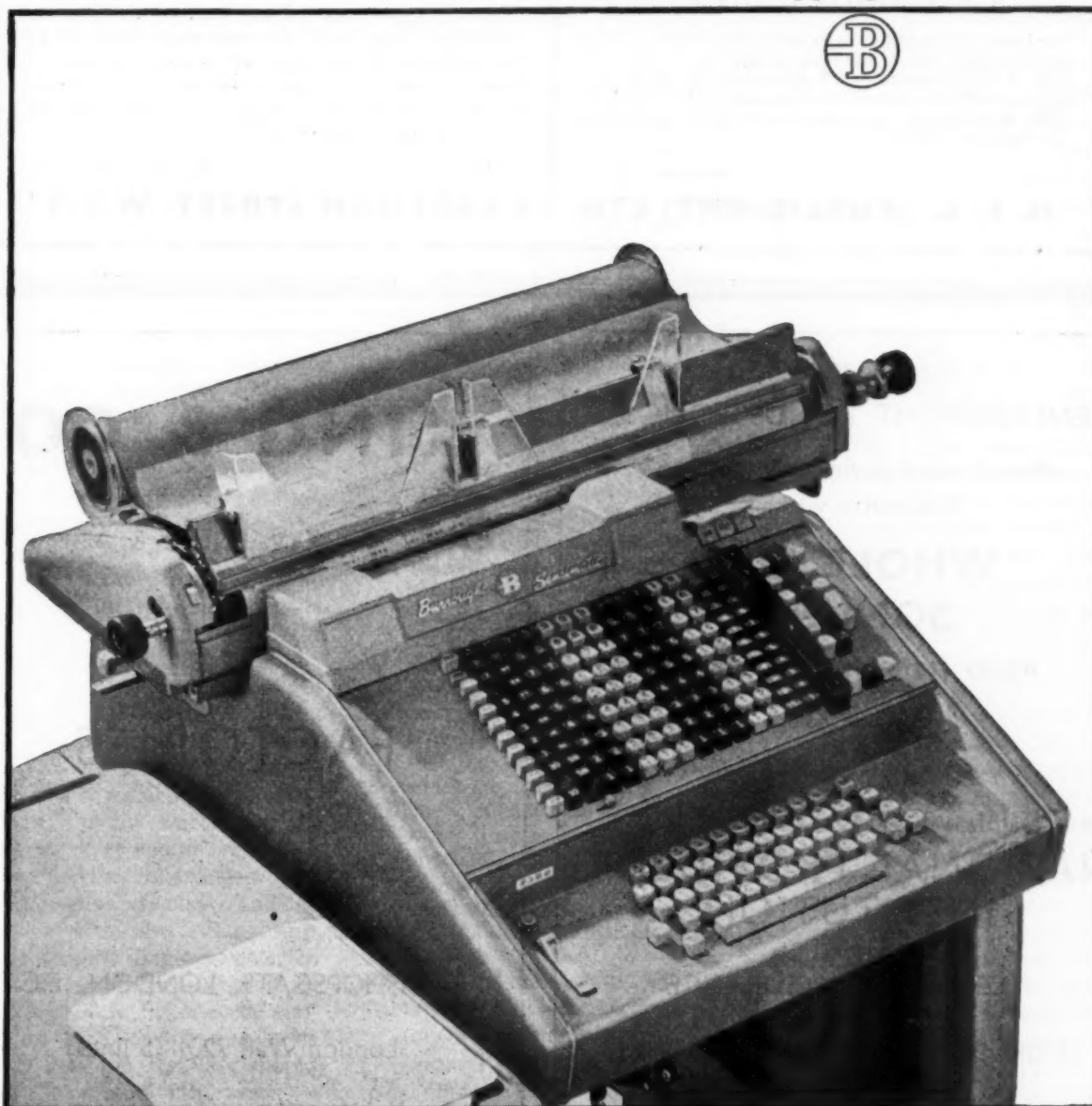
What is interesting is that these changes do not come within the definition of Acts of Parliament but are dealt with by Orders in Council, or, in other words, they are not the replacement of the 19th century Acts but are additions thereto. I suppose that when our legislators are con-

* Now approximately £2,600 million—Editor, ACCOUNTANCY

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sidering national problems and the amount of parliamentary time to be given to them, building society problems do not appear to loom very large and so perhaps are not thought worthy of parliamentary time, or perhaps they consider that building society affairs have been conducted sufficiently well during this period so as not to merit any further big changes. After all, it took twenty years to make any major change in the laws relating to limited liability companies! I refer, of course to the 1929 and 1948 Companies Acts.

To the layman this year's changes may appear imperceptible, but speaking as a practising chartered accountant I must say I welcome them. I am tempted to ask whether they go far enough. According to the building society year book of 1957, there is £2,200,000,000 of public money invested in building societies and, of this amount, approximately £2,000,000,000 is controlled by 100 societies, the smallest of which has assets totalling over £5,500,000. These 100 societies I think could be described as medium and large and it is to be expected that they would be run by men of business acumen and integrity and that their accounts would be audited by a professionally qualified accountant, and yet the Act does not require the auditor to be professionally qualified. It says that the auditor must be a person who is publicly carrying on business as an accountant. There are to be found even amongst the 100 some societies which fall a long way behind the standards adopted by limited liability companies in the preparation of accounts for publication. This last remark is meant to be a criticism of the method of presentation rather than an attack upon their stability. The "meat" in the wording of the present statutory audit report is contained in the following words: "Correct, duly vouched and in accordance with law." Supposing, therefore, this wording were changed and a more comprehensive form of audit report were introduced, containing as the "meat" that it is necessary that the accounts should show a "true and fair view." I think if such alteration were made

the accounts would have to:

- (1) Bring into account the whole of the income tax and profits tax liability attaching to the year's results. It is the practice of some societies to bring into account only the legal tax liability up to the date of the accounts.
- (2) Bring into account any accrued dividends and interest due to shareholders and depositors. Some societies pay their dividends the day after the end of the accounting period and, therefore, have not in every case provided in their accounts for any part of the dividends which may be outstanding for the year.
- (3) Show each investment separately at cost and also show, even if only by way of note, the market value of each investment. Possibly because of the design of Form A.R.11, old and new, it is customary to put all investments together under the rather brief headings of British government securities; Colonial and dominion securities; British municipal and county securities; Other investments.
- (4) Show the amount of advances agreed to be made but not yet made. No society, that I am aware, does this but, after all, it is a contingent cash liability and might be material. I would not object if this figure was stated only by way of note. I think also there is merit in disclosing at the end of the year the amount of withdrawals by shareholders and depositors which is under notice at the year end. Here again I do not think any societies have ever done this and again it could be done by way of note. I have in mind, of course, the fact that companies under the 1948 Companies Act are required to disclose by way of note the capital commitments that they have entered into but which are not yet paid.
- (5) Show different classes of shares where there is a different rate of dividend applicable to some shares.
- (6) Show comparative figures. I am glad to say that this practice is growing.
- (7) Show the split of the advances under the following headings:
 - (a) Owner occupier
 - (b) Investment
 - (c) Industrial
 - (d) Estate development.

I do not think it is necessary to have accounts Nos. 1 to 4 as shown in these annual accounts. In my opinion they are more likely to confuse the intending shareholder rather than help him. I am also not in favour of a series of reserve accounts. I prefer one general reserve available for any purpose.

I do not suppose that all the above represent the complete answer to the improvement of building society accounts, but if these ideas were adopted it would give valuable information to the investor before he invested his money in a society.

There are other curious features about building society procedure which I think certainly merit the attention of our legislators. I do not suppose it is generally known that building societies can advertise for funds without any of the requirements being satisfied which are imposed upon a limited company or an individual seeking new capital. In fact they can even advertise for funds when they are insolvent. This I suggest should be prevented, and it could be done by its being made illegal to advertise for investors unless accounts are filed in proof of solvency. By solvency I do not only mean that they can pay out 20s. in the £, but I also mean that they should not be allowed to advertise a rate of dividend which cannot be met out of the current year's profits.

It is strange also that building societies are not compelled to send each member a copy of the annual accounts and they do not have to show on their accounts loans to directors or any benefit a director may have had by reason of his office, such as the use of society's car. Neither does the fact of a loan being made to a limited company of which the director is also a director have to be disclosed.

The passage of time and the huge expansion, which has come about very rapidly, perhaps too rapidly, is changing the character of building societies and they are now financial institutions; I think therefore the time has come for a change in accounting and audit procedure and I would like to see the true and fair view doctrine adopted.

Accountant at Large

Free and Independent

GIBBON CALLED INDEPENDENCE "the first of earthly blessings," and various degrees of freedom, with and without a capital letter, have been hymned by innumerable poets: freedom for nations, freedom for groups, freedom for individuals. At the level of the individual, freedom is something on which we all have our views, and not the least interesting criterion by which we assess the attractiveness of this and that career is the amount of independence it leaves to its pursuer. "At least I'm my own boss" is a claim that stirs at least a mild envy in the breasts of those who are not.

Many of those who feel envious would in fact hardly welcome the independence of the man who is really his own boss. It may indeed be irksome to take orders from another, the more so if that other is personally disliked, or if he does not trouble to disguise the orders as requests, but there is responsibility involved in being the boss, and not by any means everyone enjoys responsibility: a highly significant way of dividing the human race is into those who welcome responsibility and those who don't.

But more interesting than this simple division is a consideration of the extent to which freedom can be achieved within our social framework. It would be a good thing to begin by defining what we mean by freedom: anyone who thinks the word an uncomplicated one should try to resolve the question that remains unanswered from the 'thirties—whether a man who cannot find work is "free" merely because he can hold and publish whatever political opinions he likes. But definition, quite apart from its formidable difficulty, would be much too long for this page; in this present context, confining ourselves to business life, we may perhaps be forgiven for resting on the assumption that we all know what we are talking about.

Within that framework, accountants, like other professional men, can

claim the independence that is one of the better tests of professional status: they work to standards stricter than those of most non-professional men and more strictly enforced than those of almost all non-professionals. Independence, and so a measure of freedom, is bound up with the status and the standards. The accountant in practice on his own account—his own boss indeed—is independent in this sense more plainly than those who are employed, whether by another accountant or in industry or commerce; but the employed man who has qualified in a profession, he too, is independent in a sense that sometimes makes him a "difficult" person for the businessman.

Even at this high falutin' level (as some would call it) there are complications. The self-employed accountant can be tied by a variety of strings—personal, social and business—in a fashion that makes his smile a wry one when others remark on his freedom. Conversely, the accountant in industry may find himself in an environment in which he would be hard put to discern any fetter on his freedom, professional or other. Even when we are talking only of independence in its truly professional sense there is no straightforward dividing line between those who have it and those who lack it.

If we come down from the ethical heights and consider merely the matter of general freedom, freedom to do what one likes, freedom to come and go at will, freedom to arrive late and go early, the complications multiply until we feel rather like a psychiatrist in search of a genuine superiority complex. Before we look for freedom in our business world we can discourage ourselves by examining the freest individual we can think of—let us say, an artist who is also a free-thinking anarchist. He may carry his anarchy into his morals, and refuse to acknowledge

the family ties that set so strict a bound to freedom in his fellow citizens; and yet he must eat. At the extreme we are all animals, and as such the ultimate of freedom is denied us.

Set against the standard of our artist our own degrees of freedom seem rather to be degrees of exemption from slavery. But we treasure (some of us) each further mark of emancipation, and the accountant who works in, or closely with, a great business enterprise may amuse himself by measuring the staff, from the new office boy to the chairman, against this yardstick of freedom. The office boy is indeed an excellent starting point: formally at everyone's beck and call, signing himself on and off duty, accounting to someone not perhaps very senior in the organisation for late arrival and (if he is a traditionalist) having to invoke a dead grandmother if he wants an afternoon off. Today, indeed, the office boy is more free than he has ever been before, in that he can, and often does, change his job if he dislikes it (and that, of course, brings in again our larger question from the 'thirties); but even today the traditional picture of office boy slavery is not so wildly inaccurate. He is such an infinite way from control of the business that pays for his bread and butter.

The chairman is at the other end of a long hierarchy; and he surely is one of the free men of a capitalist society. Some of his freedoms are obvious enough. He gets more money than the office boy, and money is a great purchaser of at least the trappings of freedom. He does not travel in overcrowded bus or train to work, nor does he sign on when he gets there. He issues orders to others, and within the organisation no one issues orders to him (nor is any tyranny he may suffer at home here relevant). But—free? There must be quite a few chairman who would laugh at the suggestion. Their time, they would assure you, is less their own now than it was when they were themselves junior clerks, for their work, like woman's, is never done. They are indeed not ordered about by anyone in the business; but their Boards of

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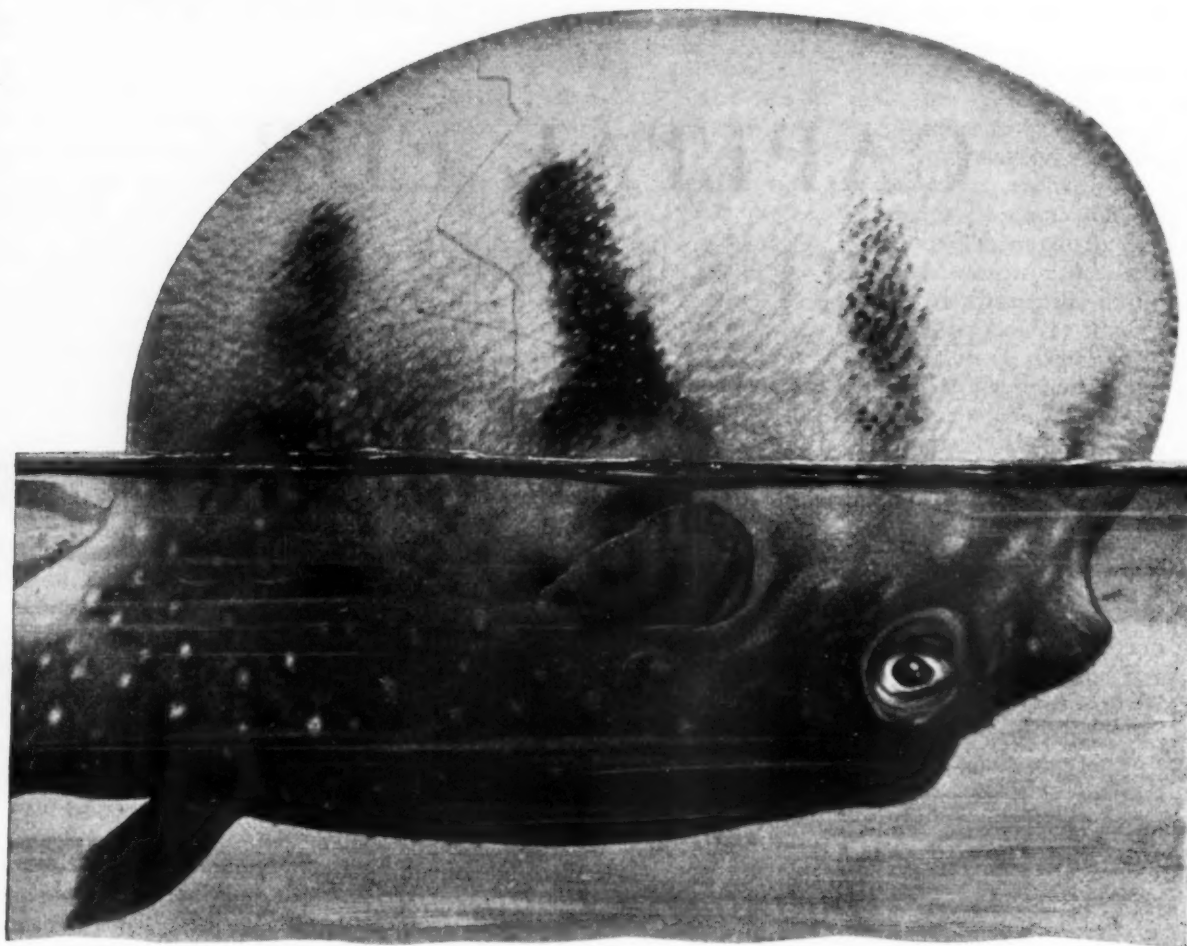
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directors on the one hand and their general managers on the other can include in their number—should include, if the business is to be healthy—some formidable characters who must be led, not driven. The necessity to lead rather than drive is a great check on freedom. Ultimate responsibility for the business, although, as was suggested earlier, a true concomitant of freedom, yet can wear the similitude of a fetter upon it, bringing, to him who is not strong enough for the burden, American-

style ulcers and coronaries. So free they seem, so fettered fast they are.

It may well be that the freest man in the whole organisation will be found to be some departmental manager, a man who knows and loves his work and is given his head by an intelligent general manager. It is not always easy to distinguish independence from the likeness of it, nor need we be too exact in seeking to do so; certainly the man who thinks himself free is far along the road to freedom.

That thought might lead us to look at some of the most purely routine work in the company and find perhaps a machine minder in a factory who loves the monotony of his work because it leaves him free to think: his mind to him a kingdom is—is he not then truly free? But that further thought would take us wider and deeper than the framework of this article can bear. Let us stop short at metaphysics and rest on sympathy with office boy and chair-man alike in chains.

AVAILABILITY OF PENSION AND BENEFIT SCHEMES

| SCHEMES | Sole traders and partners | Controlling directors of director controlled companies | All other full-time directors | Other full-time employees | Part-time directors | Part-time employees |
|--|---------------------------|--|-------------------------------|---------------------------|---------------------|---------------------|
| What the Employer can do | | | | | | |
| 1 Staff pension fund approved by Inland Revenue under Section 379, Income Tax Act, 1952 | | | • | • | | |
| 2 Staff pension scheme approved by Inland Revenue under Section 388, Income Tax Act, 1952, including "top-hat" and "one-man" schemes | | | • | • | • | • |
| 3 Promised pension on retirement, to be secured by a single premium after retirement. Sections 386 (2) and 386 (1), Income Tax Act, 1952 (Hancock Scheme) .. | | | • | • | • | • |
| 4 Retirement benefit under service agreement or deed of covenant, or other contract. Section 386 (2), Income Tax Act, 1952 | • (Partners) | | • | • | • | • |
| 5 Voluntary pension after retirement without prior agreement. Section 376 (1), Income Tax Act, 1952 .. | • (Partners) | • | • | • | • | • |
| 6 Allowances to widow or dependants: (a) On death in service of employee or partner .. | • (Partners) | • | • | • | • | • |
| (b) On death in retirement of employee or partner | • (Partners) | | • | • | • | • |
| What the individual can do for himself | | | | | | |
| 7 Individual retirement annuity under Sections 22 and 23, Finance Act, 1956, by premium to life office or by contributions to trust fund | • | • | • | • | • | • |
| 8 Endowment assurance with proceeds applied to purchase of Annuity. Section 27, Finance Act, 1956 | • | • | • | • | • | • |
| 9 Other annuities | • | • | • | • | • | • |

The table is taken from *Your Retirement*, published by the Engineering Industries Association. The booklet was prepared by the Financial Problems and Taxation Committee of the Association, with the assistance of Mr. J. G. Botting, B.COM., M.SC.(ECON.). For each of the types of pension schemes given in the table there are set out notes for ready reference under the following

heads: description of the scheme; who is eligible?; benefits receivable; tax treatment (the entries under this head take up most room, as would be expected); Inland Revenue requirements; advantages; disadvantages. A most useful guide, obtainable from the Association, 9 Seymour Street, Portman Square, London, W.1, at 5s. post free or at a reduction for bulk supplies.

Taxation

Stamp Duty

by Hilda Wilson, B.A.

STAMP DUTIES ARE duties imposed by statute on certain documents which have legal effect. The governing enactments are the Stamp Act, 1891, which imposes the duties; the Stamp Duties Management Act, 1891, which makes administrative provision; and subsequent Finance and Revenue Acts amending and supplementing those two Acts.

Documents do not require to be stamped unless either they are executed in the United Kingdom or they relate to any property situate, or to any matter or thing done or to be done, in the United Kingdom.

Impressed and Adhesive Stamps

Stamps are of two kinds—impressed and adhesive—the one kind being impressed by the Revenue, the other for the most part obtainable from the Post Office. In general, adhesive stamps should be affixed before execution of the document, but it is virtually impossible to detect whether or not they have been: accordingly, adhesive stamps are generally permitted or required only if the amount of the duty is small. The Revenue practice, which appears to be at variance with the law, is (except where stamping after execution is expressly prohibited or limited or where a fine for failure to stamp is imposed) to allow documents requiring a stamp of 6d. to be stamped up to fourteen days after execution, and most other documents to be stamped up to thirty days after execution, without penalty. Certain documents cannot be stamped, or can only exceptionally or in certain limited circumstances be stamped, after execution; others can be stamped after execution on payment of a penalty.

Stamp duties are of two kinds—fixed duties (of fixed amount) and *ad valorem* duties (varying in amount in some specified proportion to the amount or value of some obligation incurred or discharged or some property affected by the document in question).

One document may fall under more than one head of charge to stamp duty. In such circumstances the general rule is that the Revenue is entitled to the larger or largest duty.

If a document effects two transactions each requiring a separate stamp, with certain exceptions both stamps must be affixed.

A transaction may be effected by two or more documents. The general rule is that *ad valorem* duty is then not

paid more than once and that fixed duty is paid more than once only if each document taken by itself attracts a stamp (for example, because it is a deed).

In certain cases the proper stamp on one document is dependent on the question whether some other document is properly stamped. Both documents must then be produced to the Revenue, which denotes on the former document the amount of duty paid on the latter, by impressing a denoting stamp. Denoting stamps are used, for example, on conveyances on sale in the terms of an agreement which has borne *ad valorem* duty.

The Main Duties

The fixed duties most commonly met with are the fixed duty of 2d. on cheques and on receipts for the payment of money amounting to £2 or more; the fixed duty of 6d. on any agreement or memorandum of an agreement under hand only and not otherwise specifically charged with duty; the fixed duty of 10s. 0d. on deeds not attracting duty under some other head of charge and on conveyances or transfers of property, not being conveyances on sale, voluntary conveyances or mortgages (for example, conveyances by which no beneficial interest passes); and the fixed duty of 5s. 0d. on a duplicate or counterpart the original of which requires a stamp of more than 5s. 0d. (a denoting stamp also is then necessary).

The main documents on which *ad valorem* duty is payable are conveyances on sale; certain agreements chargeable to stamp duty as if they were conveyances on sale; voluntary dispositions *inter vivos*; leases; mortgages; bonds, covenants or instruments providing for the payment of periodical sums; settlements and certain commercial contracts (for example, time bills and promissory notes); policies of marine insurance and life assurance; and Stock Exchange contract notes. Also chargeable to *ad valorem* duty is the share and loan capital of corporations.* In an article of this length it is not possible to examine all these heads of charge in detail, but those likely to be of most interest to readers of ACCOUNTANCY are dealt with in greater detail below.

* A complete table of the rates of stamp duties in force at March 31, 1958, was published in January, 1959, in the 101st report of the Commissioners of Inland Revenue (Command 628).

Conveyances on Sale

Conveyances on sale are charged to *ad valorem* duty at the rate of 2 per cent. on the amount or value of the consideration, but certain conveyances on sale (for example, conveyances of government securities and conveyances between associated companies) are exempt and reduced rates are applicable to others. Thus, conveyances on sale to charities are chargeable at not more than 1 per cent. Again, there is a sliding scale of reduced rates for conveyances on sale (not being conveyances of stock or marketable securities) where the consideration does not exceed one of the figures £3,500, £4,500, £5,250 and £6,000, and the conveyance contains a certificate of value: if the consideration does not exceed £3,500 the duty is reduced to *nil*. A conveyance on sale is defined as including every instrument and every decree or order of any court or commissioners whereby any property or estate or interest in property on the sale thereof is transferred to or vested in a purchaser or any other person on his behalf or by his direction. To constitute a sale for the present purpose there must be a transfer of property for money, for stock or securities, in consideration of a debt due to the transferee or subject to the payment of any money or stock. Almost any property (for example, goodwill) can be the subject of a conveyance on sale and so long as there is consideration in one or more of the aforementioned forms a wide range of documents (for example, a declaration of trust or a partnership agreement) may amount to conveyances on sale.

The agreements chargeable to stamp duty as conveyances on sale are (1) agreements for the sale of any equitable estate or interest in any property whatsoever; and (2) agreements for the sale of any estate or interest in any property, except (a) land, (b) property outside the United Kingdom, (c) goods, (d) stock and marketable securities, and (e) ships. A conveyance in conformity with the contract or to a sub-purchaser bears only the duty appropriate to the agreement (6d. or 10s. 0d.) plus any duty appropriate to any excess consideration paid by a sub-purchaser. If the agreement is stamped only with the fixed duty of 6d. or 10s. 0d. appropriate to it apart from the provision requiring it to be stamped as a conveyance on sale, it will be treated as sufficiently stamped for all purposes if within six months or such longer period as the Commissioners of Inland Revenue think reasonable a conveyance in conformity with the agreement is presented for stamping and duly stamped. The duty is returnable if the agreement is not substantially performed.

Voluntary dispositions *inter vivos* are also charged to stamp duty as conveyances on sale, the duty being calculated on the value of the property disposed of instead of on the amount or value of the consideration. A voluntary disposition *inter vivos* is in effect a conveyance or transfer by way of gift or a conveyance or transfer not made in consideration of marriage which in the opinion of the Commissioners of Inland Revenue, by reason of the inadequacy of the sum paid or other circumstances, confers a substantial benefit on the person in whose favour it is made; the transaction must also be *inter vivos*—wills are not liable to stamp duty.

Bond Covenant Duty

The *ad valorem* duty on bonds, covenants and other instruments providing for the payment of periodical sums is commonly called "bond covenant duty". It is charged under three sub-heads; under the main sub-head falls the charge on bonds, covenants or instruments being the only or principal or primary security for the payment of any annuity or other periodic sums, with certain exceptions. Seven-year covenants (and a host of other documents) are liable under this sub-head. Two rates of duty are payable: (1) where the payments are for a definite and certain period, 5s. 0d. per £100 on the total amount ultimately payable; and (2) where the payments are for the term of life or other indefinite period, 5s. 0d. for every £5 of the sum periodically payable. (The distinction between (1) and (2) is of great practical importance—see under "Transactions without Dutiable Documents" below.)

Settlements: Company Capital

The *ad valorem* duty on settlements is at the rate of 5s. 0d. per £100 of the amount or value of the property settled or agreed to be settled. It applies only to settlements of securities and of definite and certain sums of money or amounts of stock: a wide range of property (for example, land) is thus not subject to the duty. Nor does it apply to settlements which are liable to duty as voluntary dispositions *inter vivos*. It is therefore mainly levied on settlements of government securities and marriage settlements of property that is subject to the duty.

The *ad valorem* duty on the share and loan capital of corporations includes the duty of 10s. 0d. per £100 charged on the original and increased capital of companies. Relief from capital duty (and from conveyance on sale duty) is provided in cases of company reconstructions or amalgamations.

Adjudication by Inland Revenue

Any document (except an investment chargeable with *ad valorem* duty and made as a security for money or stock without limit) may be submitted to the Commissioners of Inland Revenue for adjudication, for them to express their opinion on the stamp duty chargeable; certain documents (for example, voluntary dispositions *inter vivos*) are not properly stamped unless they have been submitted to the Commissioners for adjudication. If a document is stamped in accordance with the opinion given by the Commissioners the Stamp Office impresses on it an adjudication stamp denoting that it is duly stamped, or requires no stamp, and such an adjudication stamp is in effect conclusive that the document is properly stamped. Adjudication followed by appeal (to the Chancery Division of the High Court) is the principal method of disputing with the Revenue the liability of a document to duty.

Sanctions

The main sanctions whereby stamp duties are enforced are: (1) the rule that unstamped documents are not admissible in evidence in civil proceedings; and (2) fines,

of which perhaps the most important is the fine of £10 imposed on persons who keep the registers of members and debenture-holders of companies, or whose office it is to enter any document chargeable with stamp duty in any records, and who enter any such document not duly stamped.

Transactions without Dutiable Documents

As stamp duty is a tax on documents it may be saved by effecting a transaction by word of mouth or by conduct, without bringing any document into existence. Thus stamp duty may be avoided by making an oral instead of a written agreement; by transferring chattels on the occasion of their sale by delivery instead of by instrument; or by effecting a mortgage by deposit of title deeds as security for a loan unaccompanied by any memorandum recording the transaction—the memorandum would be liable to duty as a mortgage. If stamp duty is not to be payable the whole transaction must be effected by word of mouth or conduct. It will not suffice to make an oral agreement for the sale of property and then to transfer the property by instrument. However, a saving of stamp duty may be effected by carrying out one step in a transaction orally or by conduct, and if the step so carried out is one which if effected by instrument would attract *ad valorem* duty the saving may be substantial. Thus, if a person wishes to make a gift of shares registered in his name a considerable saving of duty may be effected if, instead of transferring the shares to the donee, causing *ad valorem* duty of 2 per cent. on the value of the shares to be payable, he orally declares himself a trustee of the shares for the donee and then, after a period, which—see the next paragraph—should not be a very short one but, say, at least a year, transfers the shares to the donee. The declaration of trust would pass the beneficial interest to the donee and the subsequent transfer would be liable only to the fixed duty of 10s. 0d. as a conveyance under which no beneficial interest passes.

There are two points to watch in these cases in which the saving of stamp duty depends on a transaction or a step in a transaction being effected by word of mouth or by conduct. The first point is that the particular transaction or step is one which can be legally effected orally or by conduct and is not one for which a document is necessary. The creation or disposition of an interest in land, for example, requires a document and, on the authority of the majority decision of the Court of Appeal in *Grey and Randolph (Hunter's Nominees) v. C.I.R.* [1958] T.R. 165, so does a gift of personal property where the donor has only the equitable interest and not the legal interest in the property. If an attempt is made to carry out orally or by conduct a transaction or a step in a transaction which cannot legally be so effected, some document connected with or involved in the transaction may be construed as effecting the transaction or the particular step in the transaction and held liable to stamp duty accordingly, as happened in the Court of Appeal in *Grey and Randolph's* case. Worse, the transaction may be held not to have been effected or completed, with the result that estate duty or tax, otherwise not payable,

may become payable at a much higher rate than the stamp duty which it was sought to save. The second point to be watched is that, if a document recording the transaction or step effected orally or by conduct is drawn up or if another step in the transaction is effected by document, the circumstances must not be such that the document and the transaction or step effected orally or by conduct can be regarded as one transaction on the authority of the doctrine enunciated in *Cohen and Moore v. C.I.R.* (1933), 2 K.B. 126. In that case securities were settled by oral declaration of trust and five weeks later an appointment of new trustees which recited the oral settlement was executed: it was held that the oral declaration of trust and the appointment were all one transaction and that consequently the appointment was a settlement and must bear settlement duty on the value of the securities.

Another case in which it would not suffice to save stamp duty to effect a transaction orally is where property is sold in consideration of the issue of shares in a company. The reason is that Section 52 of the Companies Act, 1948, requires that where shares are allotted for a consideration other than cash either a properly stamped contract constituting the title of the allottees to the shares or, if such contract has not been reduced to writing, particulars thereof stamped with the same stamp duty as would have been payable had the contract been reduced to writing, must be filed with the Registrar of Companies. To save stamp duty it would be necessary to sell the property by oral contract for cash and by exchanging cheques use the cash to subscribe for the shares. Stamp duty would still be payable if the property were subsequently transferred to the company by instrument.

Other Ways of Saving Duty

If it is not possible or is not desired to effect a transaction orally or by conduct it may be possible to save stamp duty by effecting the transaction in one form rather than another. Thus, if a company is establishing a pension fund it may and usually does covenant with trustees to pay by certain instalments the sums that will be necessary to meet the accrued liability of the fund when established. If the instalments are specified, *ad valorem* duty will be payable under the head "bond covenant duty," whereas if the company covenants to pay by not more than a specified number of instalments such sums as the actuary shall certify to be necessary for the purpose, no *ad valorem* duty will be payable. The reason is that except where *ad valorem* duty is calculated on the value of property (when the property must be valued, any chances or contingencies being taken into consideration) *ad valorem* duty cannot be charged if the consideration or other amount upon which it is calculated is not of a fixed or definite amount and in that event the document will bear only such fixed duty (if any) as it will attract—for example, as a deed.

Again, if a person is desirous of entering into a deed of covenant to pay another person an annuity for an indefinite period (for example, their joint lives), by expressing the amount payable as a weekly or a monthly sum instead of an annual sum he will be able to reduce

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the stamp duty to 1/52nd or 1/12th (or thereabouts) as the case may be of the amount, which would otherwise be payable, for the covenant would be liable to "bond covenant duty" at the rate of 5s. 0d. for every £5 (or fraction of £5) of the amount payable. Under present Revenue practice it may be possible to effect a saving of stamp duty by adopting this course with a seven-year covenant. Such a covenant is usually in effect for seven years or the joint lives of the covenantor and covenantee, whichever shall be the shorter. There is some doubt whether a covenant of that kind is for an indefinite period or a definite period, but present Revenue practice is to allow the payer under such a covenant to pay duty either at the rate appropriate to a covenant for a definite period or at that appropriate to a covenant for an indefinite period, whichever is the more favourable to him. There are other instances in which stamp duty may be saved by the method of effecting a transaction in one form rather than another.

Recent Cases

In the last year or so stamp duty litigation has been increasing. Some recent cases are here reviewed.

The case of *Oughtred v. C.I.R.* [1958] 2 All E.R. 443, like *Grey and Randolph's* case referred to above, was a case in which an attempt was made to avoid *ad valorem* stamp duty on a transfer of shares by a prior oral agreement whereby, it was claimed, the beneficial interest in the shares passed so that the transfer was liable only to the fixed duty of 10s. as a conveyance under which no beneficial interest passed. The Court of Appeal held that the attempt failed. The facts and decisions in these two cases were reported in the issues of ACCOUNTANCY for April and October, 1958 (pages 193 and 535).

In the two cases of *Parway Estates Ltd. v. C.I.R.* [1958] T.R. 193, and *Holmleigh (Holdings) Ltd. v. C.I.R.*, *Metropolitan Boot Company Ltd. v. C.I.R.*, *The Hale (Holdings) Ltd. v. C.I.R.* [1958] T.R. 403, the exemption from *ad valorem* duty on conveyances on sale between associated companies was in question. The exemption is only available (see Finance Act, 1930, Section 42, as amended by Finance Act, 1938, Section 50) where (1) a beneficial interest in property is conveyed or transferred from one company to another; (2) the two companies are associated companies; and (3) it is shown to the satisfaction of the Commissioners of Inland Revenue that the instrument conveying or transferring the property was not executed in pursuance of or in connection with an arrangement under which either (a) the consideration for the transfer or conveyance was to be provided directly or indirectly by a person other than a company which at the time of the execution of the instrument was associated with either the transferor or the transferee, or (b) the beneficial interest in the property was previously conveyed or transferred directly or indirectly by such a person as aforesaid. For present purposes companies are associated if (but only if) both are companies with limited liability and either (i) one of them is the beneficial owner of not less than 90 per cent. of the issued share capital of the other or (ii) not less than 90 per cent. of the issued share

capital of each of them is in the beneficial ownership of a third company with limited liability. In the *Parway Estates* case a company, Parway Estates Ltd., agreed to sell all the shares in a wholly-owned subsidiary company, Parr (Builders) Ltd. About six weeks later on the day before the sale of the shares was completed the assets of Parr (Builders) Ltd. were transferred to Parway Estates Ltd. It was held by the Court of Appeal that Parr Estates Ltd. was not at the date of the transfer of the assets the beneficial owner of the shares in Parr (Builders) Ltd. as it had by an unconditional contract agreed to sell the shares and the equitable interest in the shares had thereupon vested in the purchaser and that accordingly the exemption from *ad valorem* duty on conveyances between associated companies was not available. The facts of the *Holmleigh (Holdings)* case were more complex—Harman, J., said the case was the offspring of "a piece of financial wizardry"—and are too lengthy to be reiterated here (they were set out in the January issue of this journal, page 33). The case is of importance because in it it was held that insofar as concerned certain of the transfers which were in question the exemption for associated companies was not available, not only because the company which was either the transferor in relation to the transfers or the parent of the transferor was not at the time of the transfers the beneficial owner of the shares in the transferee companies, having contracted to sell the said shares prior to the transfers, but also because the transfers were executed in pursuance of an arrangement under which the consideration for the transfers was to be provided by a person other than an associated company, and that insofar as concerned the remainder of the transfers which were in question the exemption was not available because the transfers were executed in connection with such an arrangement as aforesaid.

Under Section 60 of the Stamp Act, 1891, annuity bonds and similar instruments are charged to stamp duty as conveyances on sale, but under Section 38 of the Finance Act, 1956, purchased life annuities are charged at the lower rate of 1s. 0d. for every £5 of the annuity applicable to superannuation annuities under the third sub-head of the head of charge "bond covenant duty." A purchased life annuity (see Finance Act, 1956, Section 38 (6)) is defined as meaning "a life annuity granted for consideration in money or money's worth in the ordinary course of business of granting annuities on human life." In the recent Scottish case of *Stevenston Securities Ltd. v. C.I.R.* [1959] T.R. 19, the facts of which were set out in the February issue of ACCOUNTANCY (page 95), it was claimed that a life annuity bond granted by an investment trust company was not liable to stamp duty as a conveyance on sale but only as a purchased life annuity. It was held, however, that the bond was not a purchased life annuity because the business of the company did not include the granting of annuities on human life and the annuity in question was not therefore granted in the ordinary course of such business.

As mentioned above, a host of documents are liable to stamp duty under the main sub-head of the head of charge "bond covenant duty." From the use of the word

"security" (see above) in the words defining this sub-head of charge: it might be thought that the documents to which it applied were in the nature of mortgages, but it has been judicially decided that the word "security" in this context means no more than "a document which provides for the payment of" the sum or periodical sums in question. Thus commercial contracts providing for the hire of goods, for the sale of goods for which payment is made by instalments, and for the provision of services, have all been held to constitute securities for the present purpose. It is generally considered that even service agreements fall within this description and are not charged to bond covenant duty only by concession. By the Finance Act, 1958, the charge was abolished for the future as regards the sale and hire of goods, wares and merchandise; the sale, hire, construction or installation of any machinery or plant; the supply of electricity; and the execution of any building works or any works of civil engineering. The scope, arbitrariness and magnitude of the present sub-head of charge were recently emphasised once again by the case of *Independent Television Authority and Associated Rediffusion Ltd. v. C.I.R.*

The facts of this case and the decision of Wynn-Parry, J., in the Chancery Division of the High Court were reported in the January issue of this journal (pages 31-32). Since then the case has been heard by the Court of Appeal (see this issue, page 161), which, like Wynn-Parry, J., felt bound by authority to hold that the agreement between the first and second appellants which was in question in the case was a security liable to stamp duty under the main sub-head of the bond covenant duty head of charge and that the duty was calculable, and had been correctly assessed, on the aggregate of the yearly sums mentioned in the agreement for the period fixed by it, notwithstanding that the sums might be increased or reduced in certain events. Leave to appeal to the House of Lords was, however, given by the Court of Appeal. Accordingly further guidance may be expected.

The cases quoted illustrate, as the rest of this article may have indicated, that the law on stamp duty is not straightforward. An attempt to save stamp duty may go awry, with serious consequences. Unless the attempt follows well-tried lines, expert and considered advice is essential.

Quick Succession Relief—I

THE FINANCE ACT, 1958, has made a very considerable advance on the relief introduced by the Finance Act, 1914, where estate duty becomes payable a second time within five years on the same property.

By the 1914 Act, the relief extended only to property consisting of land or a business (not being a business carried on by a company) or any interest in land or such a business. The property had to pass on the death within five years of the person to whom it passed on the first death and duty must have been payable on both deaths, though it was regarded as payable even if covered by remissions or allowances. If the value on the second death was less than that on the first death, relief was in respect of the duty on the lower value, but the rate applicable on the first death was irrelevant. The relief was as follows:

| <i>Number of years of first death within which second death occurred</i> | <i>Percentage rate of relief</i> |
|--|----------------------------------|
| 1 | 50 |
| 2 | 40 |
| 3 | 30 |
| 4 | 20 |
| 5 | 10 |

The Finance Act, 1954, provided for the relief to be given on such proportion of the value of shares or debentures valued under Section 55 of the Finance Act, 1940, as was attributable to the value of the land of the

company or any subsidiary of it or to the value of assets used by the company or any subsidiary of it in a business not consisting mainly in the holding of or dealing in investments other than land. This provision applied to a death on or after July 30, 1954.

The Finance Act, 1958, which applies where the second death is on or after April 16, 1958, repeals all the above provisions, and substitutes a much wider relief. The rates of relief remain the same, except that if the second death is within three months of the first the relief is at the rate of 75 per cent.

The relief is now on any property, provided that duty was payable on the same property on an earlier death within five years and that the person entitled to the property immediately before the second death did not acquire it by a purchase for a consideration in money or money's worth made since the earlier death.

There are several important differences from the former reliefs, and these differences are outlined hereunder:

(1) Generally, in comparing the values at the two deaths, the death duties payable on the property on the first death have to be deducted from that value, i.e., it is the net value on the first death that has to be compared with the value on the second death. For this purpose, "death duties" include any duties payable on the death under the law of any territory.

(2) The second death need not be that of the person to whom the property passed on the first death. The requi-

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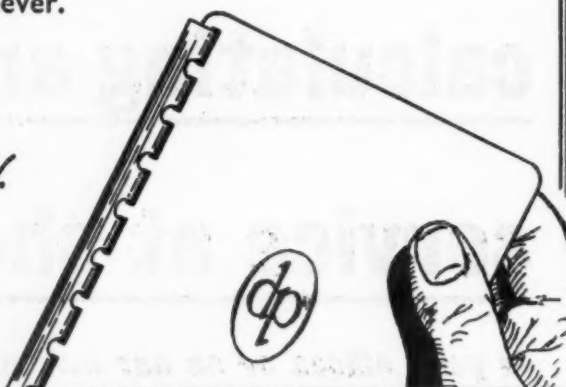
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sites are that the property must not have been acquired by purchase, and that relief can be had only by reference to one earlier death. For example, if property passes on the deaths of A, B and C, all within five years, B's executors can claim relief in respect of the duty on property which attracted death duties on A's death; C's executors can claim relief in respect of property which attracted death duties on the death of either A or B but not both. This treatment brings into the picture comparisons of values, rates of duty and rates of relief, e.g., the value on the death of B (after deduction of death duties on B's death) might be more than that on the death of A (after deduction of the death duties on A's death), though both are less than the value on C's death. The figures must be worked out before any decision is made. It is noteworthy that in such a case, relief may have been claimed on B's death by reference to A's—nevertheless, relief can be claimed on C's death by reference either to A's death or to B's death, but not to both.

(3) Where shares or debentures are valued under Section 55, Finance Act, 1940, and the shares, etc., have not been acquired by purchase, relief is available on the value of the shares, etc., caught for duty the second time. Relief would also apply to the slice of the assets of a company caught for duty under Section 46, Finance Act, 1940.

(4) In general, where the property in question is included in a settlement, the property is to be regarded as the same property, notwithstanding changes in investments.

The appropriate provisions of the Finance Act, 1958, are found in Section 30 and the Eighth Schedule. The Schedule makes very difficult reading and in the next article an attempt will be made to clarify it. In the meantime, this article is concluded by some illustrations of the relief.

Illustrations

(1) On April 10, 1956, A died, leaving a house then valued at £8,000 to B. The rate of estate duty of A was 18 per cent. On B's death on May 16, 1958, the house was valued in his estate at £9,000 and the rate of estate duty was 55 per cent.

| | | | | |
|------------------------------------|----|-------|----|----|
| Duty on house on B's death: | | £ | s. | d. |
| 55 per cent. on £9,000= | .. | 4,950 | 0 | 0 |
| Relief: | | £ | | |
| Value on A's death | .. | 8,000 | | |
| Estate duty " at 18 per cent. | .. | 1,440 | | |
| | | 6,560 | | |
| 30 per cent. of 55 per cent. of .. | .. | 1,082 | 8 | 0 |
| Duty payable | .. | 3,867 | 12 | 0 |

Had the value on B's death been £6,000:

| | | | | |
|--------------------------------|----|-------|---|---|
| Duty at 55 per cent. | .. | 3,300 | 0 | 0 |
| Relief: 30 per cent. of £3,300 | .. | 990 | 0 | 0 |
| Duty payable | .. | 2,310 | 0 | 0 |

(2) On the death of A in the above illustration, he gave £7,000 to B as a general legacy. As none of the duty on A's death is payable out of the legacy, the duty is as follows:

| | | | |
|----------------------------------|----|-------|-------|
| 55 per cent. on £7,000= | .. | £ | 3,850 |
| Relief at 30 per cent. of £3,850 | .. | 1,155 | |
| Duty payable | .. | 2,695 | |

(3) The value of settled property on R's death, after payment of the death duties then payable, was £40,000. The property passed to S, then to T. Within two years of R's death, S died, and quick succession relief was claimed. Within four years of R and two of S's death, T died. The value of the settled property on S's death was £45,000 and the death duties thereon were at 35 per cent. The settled property on T's death was valued at £25,000 and the rate of duty was 50 per cent.

Relief:

| | | |
|---|----|--------|
| On S's death: | | £ |
| Duty on settled property: 35 per cent. on £45,000 | .. | 15,750 |
| Relief: 40 per cent. of 35 per cent. on £40,000 | .. | 5,600 |
| | | 10,150 |

On T's death:

| | | |
|---|----|--------|
| Duty on settled property: 50 per cent. on £25,000 | .. | 12,500 |
|---|----|--------|

Relief:

| | |
|---|----------|
| (a) Either by reference to R's death: | |
| 20 per cent. of 50 per cent. of £25,000 | .. |
| (lower of two values) | .. 2,500 |

(b) or by reference to S's death:

| | | |
|------------------|----|--------|
| Settled property | .. | 45,000 |
| Duty | .. | 15,750 |

Net value after death .. 29,250

| | | |
|--|----|--------|
| Limited to 40 per cent. of 50 per cent. of £25,000 | .. | £5,000 |
|--|----|--------|

Relief would be claimed by reference to S's death.

(4) On January 31, 1958, D died, leaving his estate valued at £27,000 to his son. On the son's death on April 20, 1958, the property was valued at £23,000. The other property passing on the son's death was valued at £7,500.

Duty payable on son's death:

| | | | |
|--------------------------|----|-------|--------|
| Total passing | .. | £ | 30,500 |
| 18 per cent. on £30,000= | .. | 5,400 | |
| Margin | .. | 500 | |
| | | 5,900 | |

Appropriate to A's gift:

| | | |
|-------------------|----|-------|
| 23,000 | .. | |
| 30,500 × £5,900 = | .. | 4,449 |

Relief:

| | |
|---|-----------|
| Net value on A's death: | |
| £27,000 - £4,860 (duty) = | .. 22,140 |
| Relief: 75 per cent. of $\frac{22,140}{23,000} \times £4,449 =$ | 4,283 |

Duty on A's gift .. 166

(To be continued)

Investment Income and Profits Tax

By A. J. Turner, A.C.A.

THE CASE OF *Commissioners of Inland Revenue v. Butterley Co. Ltd.*, if it does nothing else, at any rate serves to illustrate the perplexities which can be caused by the practice of grafting new legislation on to existing legislation, particularly if the new is of such major importance as to materially alter the character and scope of the older legislation.

In essence, the case (which ended in the House of Lords, reported at 35 A.T.C. 66, whilst the proceedings in the Court of Appeal and the High Court are respectively reported at 34 A.T.C. 64 and 33 A.T.C. 318) concerns the extent to which profits tax is chargeable on income received from investments or other property, and it is therefore necessary first to consider the relevant sections of the Finance Act, 1937 (which introduced the tax now known as the profits tax) and the Finance Act, 1947 (which made radical alterations to it).

It is provided by Section 19 (1) of the Finance Act, 1937, that:

There shall be charged, on the profits arising . . . from any trade or business to which this section applies, a tax . . .

Section 19 (4) provides:

Where the functions of a company . . . consist wholly or mainly in the holding of investments or other property, the holding of the investments or property shall be deemed for the purpose of this section to be a business carried on by the company or society.

And by Section 20 (1):

For the purposes of the national defence contribution the profits arising from a trade or business . . . shall be separately computed, and shall be so computed on income tax principles as adapted in accordance with the provisions of the Fourth Schedule to this Act.

For the purpose of this sub-Section, the expression "income tax principles" in relation to a trade or business means the principles on which the profits arising from the trade or business are computed for the purpose of Case I of Schedule D, or would be so computed if income tax were chargeable under that Case in respect of the profits so arising.

Paragraph 7 of the 4th Schedule, in its original form, read:

Income received from investments or other property shall be included in the profits in the cases and to the extent provided in this paragraph, and not otherwise . . .

The paragraph went on to bring within the charge to profits tax the investment income (with certain exceptions) of building societies, banking or assurance businesses, investment dealing or holding companies, and also certain investment income received by a parent company from its subsidiary—all, it should be noted, expressed as exceptions to the general rule that investment income is not chargeable to the profits tax.

The Finance Act, 1947, by Section 31, provided that the profits tax should no longer apply to businesses carried on by individuals, and by Section 32 substituted the present paragraph 7 for that quoted above. As amended, the new paragraph 7 provided:

Income received from investments or other property shall be included in the profits except—

- (a) income received directly by way of dividend or distribution of profits from a body corporate carrying on a trade or business to which section nineteen of this Act applies; and
- (b) income so received from any other body corporate, being income received indirectly by way of dividend or distribution of profits from a body corporate carrying on such a trade or business as aforesaid; and
- (c) income to which the persons carrying on the trade or business are not beneficially entitled . . .

The difference between the original and the substituted paragraph 7 is great. In its original form the paragraph provided that investment income was not chargeable to the profits tax except in certain cases, whilst the new paragraph 7 endeavours to secure that all investment income be included in the charge to profits tax, except as specifically provided. In fact, it is not too much to say that up to the *Butterley* case, the amended paragraph 7 was taken as the authority for including in the profits tax computation of a company all investment income except that expressly exempted by that paragraph. The new paragraph 7 also introduced for the first

time the concept of franked investment income, and contains the definition of that term.

Such, then, is the background of legislation against which the *Butterley* case was decided.

* * *

There was nothing particularly remarkable in the facts of the case. Briefly, the company carried on several trades, amongst which was that of coal mining, which, on January 1, 1947, was nationalised. As a consequence, the company became entitled to compensation under the various Nationalisation Acts, and also to sums of money described as "interim income payments" and "revenue payments." These sums were payable for the period commencing January 1, 1947, and ending with the date of payment of the compensation; they might loosely be described as a form of interest on the unpaid compensation.

The compensation itself was not in dispute. The question concerned only the interim income payments and the revenue payments, both of which were admitted (at any rate in the final stages of the case) to be income. But the Inland Revenue contended the payments were both assessable to profits tax, and the company claimed they were not.

The Special Commissioners declared in favour of the company, finding that the company ceased its trade of coal mining on January 1, 1947, and that the payments were not income received from investments or other property within the meaning of paragraph 7 (1), 4th Schedule, Finance Act, 1937. In the High Court, Mr. Justice Roxburgh held the payments were assessable to profits tax, being income "from other property."

The case then came to the Court of Appeal, and the effectiveness of paragraph 7 (1) was for the first time examined. The Court reversed the judgment of the lower court, holding that the payments were not chargeable to the profits tax. The principle laid down by the judgments in the Court of Appeal may be broadly summarised as being:

(a) para. 7 (1) could not and did not add to or extend the charge to the profits

tax laid down in the charging Section, Section 19 of the Finance Act, 1937, and therefore,

(b) for investment income to be chargeable to the profits tax it must be income which falls within the meaning of the phrase "profits arising from the trade or business."

The full judgments of the Court of Appeal, particularly those of Sir Raymond Evershed and Lord Justice Jenkins, analyse in detail the arguments for and against the inclusion of this income in the profits tax assessments, and, as may be seen from the following extracts from the judgments, the Court was unanimous in its finding.

The Master of the Rolls, Sir Raymond Evershed, found no difficulty in accepting that investment income was not chargeable to the profits tax unless arising from the trade or business. In saying "the amended paragraph 7 (1) of the Fourth Schedule to the Finance Act, 1937, could not enlarge the scope of the formula in Section 19 of that Act; in other words, that if they are to be chargeable to profits tax, the sums in question must be 'profits arising from a trade or business'," he laid down this principle, and in the following words he rejected the suggestion that all investment income of a trading company must of necessity arise from its "trade or business":

Even in the case of a trading company the conception that not all income is business earnings appears to be accepted, for example, by the House of Lords in the case of *Gas Lighting Improvement Co.* [1923, A.C. 723] and later in the *Tootal Broadhurst* [1949, 28 A.T.C. 1] case.

And later on:

The formula, which was, as I have already stated, deliberately preserved after the amendment of the 1937 Finance Act, was "profits arising from a trade or business." When individuals were liable to the tax this formula had an obvious and necessary significance, so as to exclude income or profits belonging to the individual and derived otherwise than from his business. It should not be said, in my judgment, that the 1947 amendment which (among other things) excepted the individual from the tax had the oblique effect of making the original formula necessarily synonymous with "income from all sources."

Lord Justice Jenkins was perhaps even more direct on these two points, saying:

... the interim income payments ... were only chargeable to profits tax if they were profits of a trade or business carried on by the company during the relevant chargeable accounting periods. This must, I think, be the right view. The charging section, that is to say, Section 19 of the

1937 Act, charges the tax on the profits arising in each chargeable accounting period from any trade or business to which the section applies, and charges nothing other than the profits so arising. Paragraph 7 of the Fourth Schedule to the 1937 Act as originally framed, in providing that income from investments or other property should with the exceptions therein mentioned be excluded from the profits, must be taken to have been referring to investments or other property, the income received from which would, apart from its exclusion, have been included in the profits arising from the trade or business; and not income from investments or other property, which have nothing to do with the trade or business, the exclusion of which would have been wholly unnecessary.

And, later on:

It follows that income received by a trading company is not chargeable to profits tax merely on the ground that it is income of a trading company. It must be shown further that such income represents profits arising from some trade or business carried on by that company during the relevant chargeable accounting period.

Lord Justice Morris, on his part, summed up the whole principle thus:

It is to be noted that the function of the Fourth Schedule is to set out certain adaptations of income tax provisions as to the "computation" of profits for the purpose of the tax.

It was not before us contended on behalf of the Crown, nor in my judgment could it validly have been contended, that any of the provisions contained in the Fourth Schedule could enlarge or do enlarge the words contained in the body of the Act by which a charge is imposed. The result is, therefore, that the tax is charged upon the actual profits arising in a chargeable accounting period from a trade or business, which is being carried on, and which is not exempt. In computing those profits the provisions of the Fourth Schedule come into play; but they do not come into play so as to extend the scope of the tax. Thus paragraph 7 of the Fourth Schedule, both in its original form and in the substituted form introduced by Section 32 of the Finance Act, 1947, refers to "income received from investments or other property." The reference is to investments or other property of the trade or business. When by the Finance Act, 1937, the tax ... was imposed, it then applied not only to bodies corporate, but also to individuals who owned a trade or business. In either case the reference in the schedule to "investments or other property" was to such investments or other property as related to or formed part of the trade or business as opposed, particularly in the case of individuals, to those which were unrelated to the trade or business.

The House of Lords, although it upheld the decision of the Court of Appeal, did not discuss in such detail the principle which appears to emerge from the judgments of the Court. In fact, the Lords expressly refrained from drawing a general principle from the facts of the case before them. Nevertheless, that there was general agreement with the conclusions of the Court of Appeal is apparent from the speeches, even though they do tend to confine themselves to specific points of the immediate matter at issue and not the broader issues of principle. Indeed, Lord Simonds says at one point: "But I am unwilling to go further than is necessary for the decision of the present case." And Lord Radcliffe, speaking of the *Liverpool and London and Globe Insurance Co. v. Bennett* case (1913), 6 T.C. 375, said "It may be necessary at some time, but not now, to consider how far this decision depended, or should be treated today as depending, on the special requirements of insurance business."

In dismissing the appeal, Viscount Simonds said:

My present concern is with its broader aspect, in which the source of the income is disregarded if it is available for employment in a trade, which is in effect to say that for the purpose of profits tax the income of a company is equivalent to the profits of its trade. My lords, while I am satisfied that this is a wholly wrong view of the scope of profits tax, I am conscious of the familiar difficulty of drawing the line. That the line must be drawn somewhere is apparent ... for, fundamentally, the tax is a tax on the profits of a trade or business whether, as was formerly the case, carried on by an individual or a company, or, as now, carried on by a company. And if, artificially, the income of any investments is to be treated as part of the profits of a trade, it can only be those investments which are somehow related to the trade in question. It is not, I think, necessary to state categorically that the provisions of the schedule cannot enlarge the scope of the charging section ...

Viscount Simonds's remarks echo the speeches in the lower Court, as do the words of Lord Radcliffe:

I do not accept the appellants' proposition. Strictly, it means that, at any rate where profits tax is concerned, every part of the income of a company which is carrying on a business is in law income of that business. That seems to me too arbitrary. I do not think it possible to say that a company cannot own beneficially assets which do not belong to any trade or business which it conducts, or that it cannot receive income beneficially, which, nevertheless, is not income of such a

trade or business. In other words, a company's business does not embrace the whole activity of being a company.

It is understood that the Revenue have taken the attitude that the *Butterley* case was decided on its own special and unusual facts, and that the decision has no general application to profits tax computations whatsoever. While every case must be decided on its own special facts, to hold that this case has no general application seems, despite the remarks of the Law Lords quoted above, to ignore the very basis of the decision. "The charging Section" said Lord Justice Jenkins, referring to Section 19 of the Finance Act, 1937, "charges the tax on the profits arising . . . from any trade or business . . . and charges nothing other than the profits so arising." This is not a remark referring to the special facts of the case only, nor did Lord Simonds so confine himself in saying: " . . . in so far as Mr. Justice Roxburgh decided that it was enough to bring a payment within the reach of profits tax that it should be income derived from property of the company, without regard to the question whether it arose from a trade or business carried on by the company during the relevant period, he was clearly wrong." The application of these words would seem to be clearly to every company and to every profits tax computation, not just to the *Butterley* Company.

If the various extracts which have been quoted above point to the true law on the subject, then it is clear that investment income which is not also profits of the trade or business is not assessable to profits tax, and should not be included in a profits tax computation, even as franked investment income. This, of course, does not mean that all investment income is automatically exempt from profits tax, for, if it is true to say, as Lord Radcliffe said, that it does not follow that every part of the income of a trading company must necessarily be trading income, it is equally true to say that it does not follow that because certain income arises from investments it cannot be trading income.

The problem of deciding what investment income is "trading income," and what is "non-trading income" was referred to in the House of Lords as a "troublesome question," and it is certainly one which would be likely to raise many difficulties. Undoubtedly, a border line would have to be drawn, although exactly where may not become clear until after further guidance from the

Courts. Even then there could be many examples which could not be placed with certainty on one or other side of the border.

Tests on the character of the investment income may usefully be devised to assist in solving this problem. One such test could be whether the income in question would have been assessed under Case I if it had not already suffered tax by deduction at source, or been assessed under the rules of some other Case or Schedule. Another could be the nature of the business carried on, coupled with the importance to that business of invested reserves. A third test may be to determine whether the income arose from a "trade investment," given that that term can itself be defined!

Generally in this connection, it will be recalled that, in connection with other provisions of the Income Tax Acts, the Revenue has always been loth to admit that investment income has the charac-

ter of trading income, except in very special circumstances, and it is difficult to see how it can now change its ground!

The question of the taxability of investment income does not arise for an investment company since its investment income is, as has been seen, deemed to be trading income; for a trading company having investment income which qualifies as "franked," the question may have little material importance; but for a trading company having "unfranked" investment income, it could be that a fairly considerable amount of profits tax is being incorrectly paid.

The *Butterley* case has shown that there is, to say the least, some doubt about whether the scope of profits tax extends to investment income of a trading company. It is to be hoped that this doubt may be resolved in the not too distant future, either by the courts in some new case brought before them, or by new legislation.

Taxation Notes

The Domicile Bill

In moving the second reading of the Domicile Bill (see our last issue, pages 85-86) Lord Meston said that in many important respects the present Bill is not the same as that which was before the House of Lords in July, 1958. The Bill merely establishes the existing law of domicile, subject to some important amendments. A person's domicile is the country in which he has his home and intends to live permanently. The law regards every person as having a domicile, whether it be the domicile of origin, which the law confers on him at his birth, or the domicile of choice, which he may subsequently acquire. Whenever a domicile of choice is abandoned without the acquisition of a fresh one, the domicile of origin revives until a fresh domicile of choice is acquired, even if in fact the person never returned to the domicile of origin. The new Bill abolishes the revival of the domicile of origin in those circumstances. The word "person"

includes both sexes, so a married woman may, if she so wishes, acquire a domicile different from that of her husband.

The Lord Chancellor was sorry to see dropped the proposals of Clause 3 of the original Bill designed to render the ascertainment of a person's domicile easier and more certain, but he agreed that the hard facts of the economic position of the country should be given greater weight. Businessmen must remain willing to come from overseas and to work in this country, to open branches of their business here and to bring their investments with them. There was a danger under the original Clause 3 that such men might have been charged to tax on their world income and not merely on income received here, and there had been misgivings about this possible effect of the Bill as originally drafted. The new Bill would make statutory the existing law as laid down in *Winans v. Attorney General* [1904] A.C. 287.

Lord Meston pointed out that the

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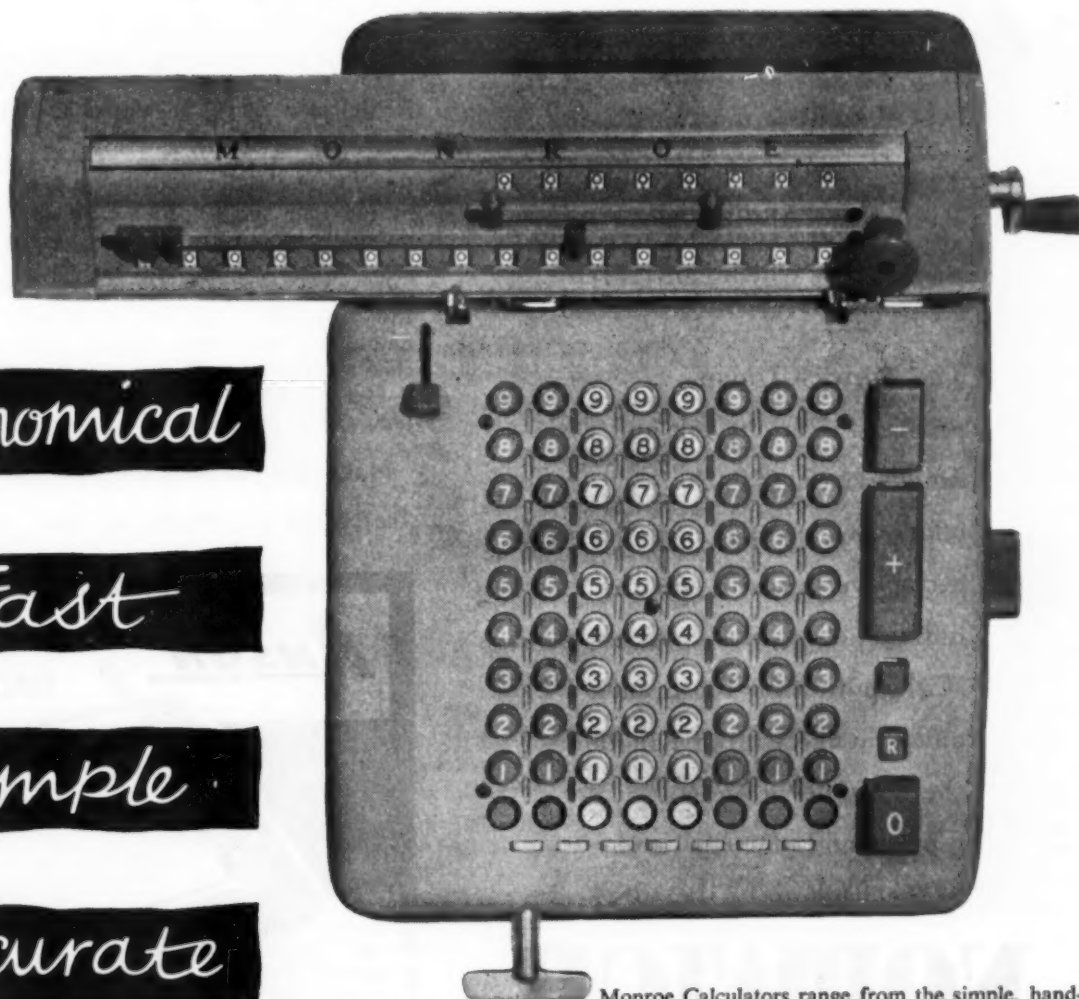
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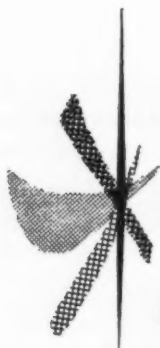


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burden of proof would remain with the person who asserted that a new domicile had been acquired, whereas the presumption in the original Bill that a person's domicile was the country in which he had his home and intended to live permanently could have involved a businessman from overseas in an expensive lawsuit to rebut that presumption.

By the new Bill, the age at which a person can obtain a domicile in a country by residing in that country is reduced from twenty-one to sixteen (bringing the law into line with that of Scotland). The domicile of a child under the specified age is normally that of the person entitled to his custody, but if two or more persons domiciled in different countries are involved, the child's domicile is, under the Bill, to be in that one of the countries with which he is more closely connected. If a child is in the custody of an authority his domicile is to be in the country whose law governs the constitution of that authority; in England this situation may arise if there is an order committing a child to the care of a fit person or to an approved school, or if a local authority by the required resolution assumes parental rights over the child.

In matrimonial disputes the right is reserved to the courts of this country to decide what constitutes domicile according to the laws of the country.

The position of certain pensioners of the former Indian Services is safeguarded.

More Suggestions for the Chancellor

The Institute of Chartered Accountants of Scotland has submitted to the Chancellor of the Exchequer a memorandum on the next Finance Bill. As is proper there are no pleas for changes in the rates of taxation: the suggestions are designed to improve the administration of the system and to remove or mitigate inequities or hardships. The recommendations, which (with the possible exception of number 5, on which opinion among accountants is mixed) will, we are sure, find favour with most of our readers, include:

(1) The setting up of an expert body

to reconsider the detailed provisions against tax avoidance (as recommended in the majority report of the Royal Commission, paragraph 1090 (77)). Some of this legislation was introduced with haste, some of it was insufficiently debated in Parliament, and some of it has been rendered oppressive or anomalous by changes in conditions since it was enacted. The implementation of the recommendation becomes more urgent with each year that passes.

(2) The setting up of an expert committee to review the penalties for tax offences (Royal Commission recommendation, 1090 (87)). The need for review has been pinpointed once more by the *Hinchy* case (still *sub judice* since it is under appeal). Many of the penalties are absurdly severe, others may be too small for today's conditions.

(3) Capital allowances should be given for commercial buildings (Royal Commission recommendation, 1090 (21)).

(4) Only the undistributed income of a controlled company which is unreasonably withheld from distribution should be subject to a surtax direction (Royal Commission recommendation, 1090 (79)). The Revenue recognises the justice of this point in its present practice of allowing negotiated retrospective dividends to be declared in such cases. This practice is, however, unsatisfactory, as the taxpayer has to accept the Revenue ideas or force an appeal, on the loss of which a direction would apply to the whole profit.

(5) The abolition of Schedule A; owner-occupied property used for business and let property to be dealt with under Schedule D. The Royal Commission reported against this change, but it is noteworthy that every representation to the Chancellor which we have seen this year makes the same point.

(6) Dividends received by an Overseas Trade Corporation from a trading subsidiary company resident abroad should be treated as trading income (instead of investment income) of the former.

(7) Estate duty legislation should at least be codified; at best, and preferably, a general review of the subject should be undertaken by a Royal Commission.

(8) Other recommendations of the Royal Commission should now be implemented, namely:

1090 (4)—Amendment of Rule 7 of Schedule E;

1090 (4)—Relief for travelling between two separate callings;

1090 (8)—Relief by averaging where

income accrues with marked irregularity;

1090 (9)—Consequent on the preceding recommendation, the repeal of the provision for spreading copyright receipts;

1090 (3)—The elimination of Lord Davey's test as to Schedule D expenses.

Parking Meters

The Institute of Municipal Treasurers and Accountants has made representations to the Inland Revenue that profits from parking meter operations should be exempt from income tax under Schedule D, but the claim has been rejected.

Section 23 of the Road Traffic Act, 1956, places restrictions on the disposal of surpluses from parking meters. It requires local authorities to keep a separate account of their income and expenditure in respect of parking places designated under the Act. At the end of each financial year a deficit in the account is to be made good out of the general rate fund. A surplus is to be applied to any of the following purposes: (a) making good contributions from the general rate fund during the preceding four years; (b) meeting the whole or part of the cost incurred by the authority in the provision and maintenance of off-street parking facilities; (c) making a contribution to another local authority or county council, or with the Minister's consent to any other persons, towards the cost of provision and maintenance of off-street parking facilities. Surplus balances not so applied may be carried forward to the next financial year, but cannot be carried forward from one quadrennial period to another without the Minister's consent.

The Institute of Municipal Treasurers contended that the profits were applicable to charitable purposes within the meaning of Section 448 of the Income Tax Act, 1952. The claim was rejected by the Inland Revenue on the grounds that a local authority is not a body of persons or the trustees of a trust established for charitable purposes only, and the purposes of the Road Traffic Act, 1956, are not charitable.

From the estimates of income and expenditure of the parking meters operating in Westminster it is clear that the cost of administration is likely to be heavy. In order to keep any Schedule D assessment as low as possible, local authorities will no doubt take care to include all administrative expenses properly chargeable to the account. A considerable amount of clerical and administrative work is involved, including collection of cash from the meters, statistical returns, and the following up of "excess charge" notices.

Capital allowances will be given on the provision and installation of meters and signs. The Inland Revenue has not yet fixed the rate of annual allowance, but one would hardly expect it to be less than 10 per cent. If profits tax is payable the parking meter profits will be assessed along with the profits and losses of all other trading activities, since there is only one assessment of profits tax on an authority operating trading undertakings.

Maintenance Claims

In answer to a question asking what were the items of expenditure which could be admitted for relief in a maintenance claim under Schedule A by an owner-occupier, the Financial Secretary of the Treasury has recently stated in the House of Commons: "expenditure on the maintenance, repair and insurance of the property which is incurred by the owner-occupier as owner and not as occupier."

The questioning M.P. then asked whether the Financial Secretary was aware that there are four-and-a-half million owner-occupiers in residential occupation who make no claim and who find it more simple to fill in a football pool coupon than a maintenance claim form. Would he consider what steps he could take to draw their attention to their entitlement, particularly bearing in mind that nearly all the minority who do claim receive allowances? The reply to this supplementary question was that those who do not specifically claim are entitled

to the statutory repairs allowance and it might well be that the reason they do not claim is because that allowance is more favourable to them (*Hansard*, Vol. 597, No. 38, cols. 1299 and 1300).

Accountants familiar with such matters will not agree with the supplementary answer. The writer of this note has several clients who ought to be making maintenance claims of considerable amounts but who can never bring themselves to the effort of hunting out the relevant receipts, despite annual requests to do so. And there must be many who do not know of their rights. Indeed, we would go so far as to say that there must still be many persons paying tax under Schedule A at the standard rate who would be entitled to exemption or some relief, because of the smallness of their income, if they were to make a repayment claim. The fact that many taxpayers under the P.A.Y.E. system seem seldom to be asked to complete a return is a cause of this unfortunate state of things.

The replies of the Financial Secretary to the Treasury would have been drafted on information from the Inland Revenue. It is found in practice that there has been a hardening of the views of the Revenue on these claims. The taxpayer does not receive the benefit of the doubt where a point is arguable and all too often it is not worth the cost in time or money to take the case to appeal.

The writer is of the opinion that the official attitude today does not interpret the Acts correctly. It should be noticed that in Section 100, Income Tax Act, 1952, the statutory allowance is to cover the "cost of repairs." Section 101 of that Act gives relief where the average cost to the owner of maintenance, repairs, insurance and management has exceeded the repairs allowance. It will be seen that there are three items here in addition to repairs. The first of these is "maintenance"—yet much obvious maintenance is dismissed by the Revenue as being "tenants' expenditure." Indeed, it was recently submitted by the Revenue that if an owner accepted liability for such expenditure, it might affect the Schedule A assessment.

The fact that "maintenance" is the first item mentioned in Section 101 (and the word must be given its normal meaning) seems to indicate that Parliament meant to give relief *inter alia* for expenditure which was incurred for the purpose of preventing the necessity for repair, such as a contract for the periodical inspection and maintenance of a pressure oil-fired system on central and domestic water heating. Such expenditure has been allowed in the past, but is now being refused as alleged "tenants' expense." Yet the occupier has himself also to do his regular servicing of the apparatus, if it is to continue to function! The Revenue claims that only a proportion of maintenance appropriate to actual repairs in such a case is allowable.

Painting a house to preserve the woodwork is not questioned; though this is maintenance, not repair; is there any real difference from the case we have quoted?

Unfortunately no individual case has come to hand which would warrant an appeal in the circumstances mentioned above, except by a taxpayer with time to spare.

We should like to have readers' reports on current experience in maintenance claims. Only one item has been mentioned here, though there are others. We shall be pleased to collate replies into a later article; naturally, no individual will be mentioned. It will be particularly interesting to compare the arbitrary divisions of expenditure which are experienced by practitioners.

Income Tax in Northern Ireland—

Although in general income tax is assessed in Northern Ireland on the same basis and at the same rates as the rest of the United Kingdom, there are a number of important differences in procedure and appeals and also in the basis of assessment under Schedule A.

The majority of these differences are defined in Schedule 23 to the Income Tax Act, 1952, and the following summary of these special provisions may be of interest to practising accountants and to students.

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Assessed on gross annual value based on rack rent.

Only rents irrevocably lost on agricultural property exempted. Concessionary relief may be allowed for other properties.

NORTHERN IRELAND
Assessments made by the Inspector of Taxes.

Assessed on poor law valuation. Tax under Schedule A can be assessed on landlord or occupier.

Landlord can have assessment reduced to actual rent less any rent irrevocably lost. Time limit for claims six years (Finance Act, 1958). Relief allowed for interest included in land purchase annuities.

Assessments under Schedules D and E

GREAT BRITAIN
Assessments made by General Commissioners.

Appeals heard by General or Special Commissioners with right of appeal to High Court.

NORTHERN IRELAND
Assessments made by the Inspector of Taxes.

All appeals heard by Special Commissioners with right of appeal to the High Court. Taxpayer, only, has right of appeal to the Recorder or County Court Judge but this does not apply to repayment claims or claims by charities.

The Revenue have no power to appeal against the decision of the Recorder or County Court Judge but can appeal to the High Court against the decision of the Special Commissioners.

is calculated on the rent less rates.

(4) The Schedule A assessment is deducted from the rent less rates and less repairs. The balance remaining is assessed under Schedule D.

Example

Dwelling house let at 20s. weekly, the landlord bearing rates and being responsible for all repairs,

| | £ | s. |
|---|----|----|
| New poor law valuation .. | 21 | 0 |
| Old poor law valuation .. | 14 | 10 |
| Rent 52 weeks at £1 | 52 | 0 |
| Less Rates (before deducting discount) on new valuation | 17 | 10 |
| | 34 | 10 |
| Less 1/26th, say | 1 | 7 |
| | 33 | 3 |
| Less Repairs 1/4th, say .. | 8 | 6 |
| | 24 | 17 |
| Less Schedule A (on old valuation) | 14 | 10 |
| Schedule D liability .. | 10 | 7 |

Special Provisions Arising out of Revaluation

Section 19 (2) of the Finance Act, 1957, provides that for 1957/58 and subsequent years of assessment until Parliament determines otherwise the Schedule A and B assessments will be determined in accordance with the poor rate assessments in force immediately before the beginning of 1957, subject, however, to any alterations agreed between the Inspector of Taxes and the Commissioner of Valuation.

In Northern Ireland the poor rate valuation of residential property is based on the 1939 letting value, whereas all other property is valued on the current letting value.

The practical application of Section 19 (2) of the Finance Act, 1957, is that Schedule A assessments on properties which have not been structurally altered should not normally be increased.

Schedule A assessments on new or altered properties should be the amounts at which the properties would have been valued for rating had there been no general revaluation. On commercial and industrial

properties these amounts will normally be less than the rating assessments, which represent current values. Schedule A assessments on agricultural land, dwelling houses, private garages, and so on, where there is a new unit of assessment owing to alterations or such circumstances will normally equal the rating assessment, since the same basis of valuation is applicable.

Excess Rents Computations

The standard basis of assessment of excess rents appears to vary in Northern Ireland from the basis adopted by some Inspectors in England.

(1) The gross rent paid by the tenant in the year of assessment is computed for the year. If the rent is paid weekly only fifty times the weekly rent is taken to allow for casual vacancies, 1/26th being deducted from the net rent.

(2) If the landlord pays rates, they are deducted from the rent. Discount allowed for prompt payment of rates is not deducted in arriving at the amount of rates to be allowed.

(3) The statutory repairs allowance

Ulster Savings Certificates

Interest on Ulster Savings Certificates is exempt from British tax if held by persons resident and domiciled in Northern Ireland.

—and in the Irish Republic

A memorandum of evidence submitted to the Commission on Income Taxation in Eire by the Association of Chambers of Commerce of Ireland and the Federated Union of Employers (prepared by F. G. Hall, PH.D., F.C.A., as economic consultant) has been published. The memorandum discusses inflation, taxation in the projected European Free Trade Area, disallowable expenses, treatment of losses, Corporation Profits Tax, Schedule A, provision for retirement, P.A.Y.E. codification, and the need for an advisory committee.

The memorandum asserts that the most important aspect of taxation in Eire is the economic and social effects arising from its present level and any investigation which ignores the weight of the tax burden is unreal (this could be said of any

taxation system!). Revalorisation to give depreciation allowances by reference to present values is regarded as essential, or, as an alternative, the introduction of investment allowances. Stock-in-trade should be valued to take the same problem into account—for example, by L.I.F.O., a method which allows replacements to be charged against income. All commercial buildings should be entitled to depreciation allowances.

The systems of taxation in the countries which have been working to create a Free Trade Area are discussed. Various extensions of expense allowances are recommended—for example, in connection with subscriptions, initial repairs to second-hand machinery, law costs which commercial practice would regard as desirable to be written off, costs of tax appeals, lease premiums, development expenses, etc. The time limit on the carrying forward of losses should be abolished—as should Corporation Profits Tax and Schedule A assessments. The remarks regarding provision for retirement have in fact been met by the Finance Act, 1958.

The memorandum opts against the introduction of a P.A.Y.E. system, saying that the most the Commission should do is to decide on tax deduction in principle only, leaving the details to be worked out by the Revenue Commissioners in close collaboration with the commercial community.

Codification accompanied by simplification of the tax code is urgent. The memorandum also advocates the setting up of an Advisory Committee representing the commercial community and including lawyers and accountants to advise and assist the Revenue Commissioners, without initiating reforms or advocating changes which would require enactment by the Oireachtas. (In our own view such a committee would be valuable but not with the limitations suggested.)

Paper Work as Evidence

"Memos" and "chits" are avoided by business men unless they are necessary for the efficient running of the business, e.g. where a memo is

cheaper than a telephone call and there is not the urgency of the call; where it is important that the exact requirements be kept in mind and they are diverse; and so on. It is evident, however, that negotiations with the Inland Revenue are forcing businessmen to put much more in writing than would be done in the normal way. The Civil Service mind now appears to assume that nothing is ever done without a minute of authority and a written order or a chit setting out what is to be done.

In those companies that work under the threat of a surtax direction—even in companies with only two shareholders—it soon became evident, long before 1939, that the path of argument was smoother if the minutes of the annual general meeting were written up in great detail, in effect setting out the arguments for retaining the undistributed profits in the business. Now that the directors' report is compulsory, it is as well to give that information in the report, as it is then before the Special Commissioners when they consider the accounts and not, as it would commonly be, at a later date when the Special Commissioners have asked for information. The importance of the proof that the matters set out were considered at the time and not thought of later needs no emphasis.

Where, however, the general manager of a large concern wants an assistant to visit overseas branches, the proposal may or may not be discussed by the Board. If it is, the minute would usually be a pure statement of fact: "It was decided to send the assistant general manager on a tour of overseas branches." And the general manager would commonly pass on the instructions verbally: "Bill, the Board wants you to make a tour of our branches in the African continent. Neither of us has been there for some years and it is time we showed the flag and put them thoroughly in the picture with current policy. You can also report on how the various managers and staffs are shaping. Take your wife if she will go—you know the influence of the women in some of the districts." Today, it is most unwise not to put all that in writing, preferably in the

minutes of the Board, and to amplify it, far beyond any purely business need, with the provisions of Rule 7 of Schedule E in mind, particularly in regard to the employee's wife. In view of the peculiar meaning attached to the Rule—that in effect an expense can be allowed only if any occupant of the particular office would wholly, exclusively and necessarily have to incur the expense and not only the employee concerned—it is often wise to engage the wife as an employee in her own right for such a trip.

If a director is involved, a Board minute is all the more imperative.

How true it is today that the income tax implications must be studied before any transaction is undertaken!

Estate Duty Concession Withdrawn

In respect of deaths after January 20, 1959, the following concession has been withdrawn:

The general rule of valuation of property for purposes of estate duty is to take the market value at the date of death.

(a) In the case, however, of a house owned and occupied by the deceased, where a near relative of the deceased who was ordinarily resident with him at the date of death remains in the house and has no other place of residence available, any increase in the market value above the pre-war value is disregarded insofar as it could only be realised by a sale with vacant possession. The valuation made on that basis would, however, be reviewed if the house were sold or let within a reasonable period of (say) two years after the death.

(b) In the case where a house to which the concession at (a) above has been applied is sold within two years of the death and the proceeds of sale are wholly utilised by the relative of the deceased in the purchase of another house for his own occupation, the basis of valuation at (a) is not disturbed. Where, however, the proceeds are only partly so utilised, the second house costing less than the amount realised on the sale of the first house, estate duty is charged on the proceeds subject to a deduction to the extent to which the purchase price of the second house is attributable to the premium for vacant possession.

In many parts of the country the concession has ceased to have any practical effect. Students will no doubt welcome the withdrawal of the concession, which (see our issue of July, 1958, pages 370-1) has formed the subject of an examination question.

Double Taxation of Royalties—U.S.A.

Under the convention between the United Kingdom and the United States, a person resident in one of the countries and subject to tax there on copyright and patent royalties and similar payments derived from sources in the other country is not taxed on those payments in that other country unless he is engaged in trade or business through a permanent establishment there. It has now been agreed to limit the charge to tax in each country to royalties directly associated with the business of the permanent establishment. Credit will be given in the United States for United Kingdom tax deducted from royalties arising in the United Kingdom not within the scope of the new exemption. The change is effective as from 1956/57 in the United Kingdom and the taxable years beginning on or after January 1, 1956, in the United States. The Order is the Double Taxation Relief (Taxes on Income) (U.S.A.) Order, 1958 (S.I. 1958, No. 1751).

"Tax-free" Payments

Section 25 (1) of the Finance Act, 1941, was enacted to relieve the heavy burden of wartime taxation which would otherwise fall on estates under obligation to pay tax-free amounts of income to annuitants. It has been re-enacted by Section 486 (1) of the Income Tax Act, 1952, which says:

any provision, however worded, for the payment . . . of a stated amount free of income tax, or free of income tax other than surtax, being a provision which—(a) is contained in any deed or other instrument, (or) in any will or codicil, etc., and (b) was made before September 3, 1939, and (c) has not been varied on or after that date shall, as respects payments falling to be made during any year of assessment the standard rate of

income tax for which exceeds five shillings and sixpence in the pound, have effect as if for the stated amount there were substituted an amount equal to the appropriate fraction thereof [as defined in sub-Section (5)].

The first case to come before the courts under Section 25 (1) of the earlier Act was *Re Waring, Westminster Bank, Ltd. v. Awdry* [1942] 1 All E.R. 556, where the testator by his will dated February 11, 1939, gave a number of annuities "free of income tax." He died on August 30, 1940. Although the Section referred in plain terms to "any will . . . made before September 3, 1939," Farwell, J., held that it did not affect a will made before that date if the testator died after then, since it is not until after a will is proved that its provisions come into operation and have effect. But the Court of Appeal reversed the decision ([1942] 2 All E.R. 250) and held that the "provision" for the annuities was not "made" as at the death of the testator but at the date of the will.

Meaning of "provision"

In *Countess of Berkeley v. Berkeley and Others* [1946] 2 All E.R. 154, annuities clear of all duties and income tax were again given by will made before September 3, 1939, while a last codicil dated September 14, 1940, confirmed the will and earlier codicils. The testator died on January 15, 1942. The House of Lords reversed the decision of the Court of Appeal, which was bound by its previous decision in *Waring's* case, and held that the words "any provision, however worded" referred to the benefit conferred and not to the words conferring it, and therefore "provision" was not "made" by a will within the meaning of Section 25 (1) until the testator was dead, since a will was revocable so long as the testator had any testamentary capacity. The decision thus overruled *Re Waring*, but left open the question whether it applied to other instruments not coming into operation until after September 3, 1939.

Contingent annuities

Such a question arose in *In Re*

Duke of Westminster (deceased) [1959] 1 All E.R. 442. The facts are set out in "Tax Cases—Advance Notes" on page 94 of the last issue of ACCOUNTANCY. Danckwerts, J., considering himself bound by the decision of the House in *Berkeley v. Berkeley*, had held that Section 486 (1) of the Income Tax Act, 1952, did not apply and that the defendant was entitled to be paid £6,000 free of income tax and surtax, but the Court of Appeal held that the Section did apply. Lord Evershed, M.R., said that Danckwerts, J., took it that the effect of the speeches in *Berkeley v. Berkeley* was to lay it down, not only in the case of a will but in other cases, that a "provision made" meant, for the purposes of the Section, a provision which had become effective in possession or enjoyment—but this was not so. Romer, L.J., said their Lordships seemed to have recognised that a right to a tax-free annuity which had been created before September 3, 1939, was within the Section, so long as it really was a right; and none of them suggested that the annuity must be presently payable. The relevant date was the date when the contingent right to receive the annuity was conferred and not the date when the annuity should become presently payable, if it became payable at all.

The Profits Tax Legislation

A new edition of the enactments relating to the profits tax has now been published by H.M. Stationery Office in the familiar loose-leaf form, at £2 2s. 0d. net. The new edition follows the introduction of the flat rate of profits tax and includes the legislation applicable to periods after the end of March, 1958, together with repealed provisions which were operative for periods ending after April 5, 1952.

It is intended that the volume shall be kept up to date by the issue of supplements, amendments and supplements to the index. Although annotated copies of the legislation are available in other publications—for example, *Simon and Clitas*—it is usually wise to refer to the official publication because it gives without

comment the cross-references, etc., which are used by Revenue officials.

The four-pillar binder is a great improvement on the earlier binder which was held together by cords.

Commonwealth Income Taxes

As a companion volume to *Income Taxes Outside the Commonwealth* published in 1955, H.M. Stationery Office has now issued *Income Taxes in the Commonwealth*. It is in loose-leaf form at £3 15s. 0d. net for Parts I and II, including pillar binder for Parts I to V.

Parts I and II summarise the in-

come tax laws in Commonwealth countries in the continents of Africa and America. The three parts to come will contain summaries of the income tax laws in Commonwealth countries in Asia; Australia, New Zealand and the Pacific Islands; and Europe. The further additions will be available as they are completed and loose-leaf supplements will be available from time to time to keep the information up to date.

The earlier bound copies, which were supplemented by periodical additions to be inserted in a most inconvenient binder, will unfortunately not disappear from our

shelves, because the new publication will cover taxes concerned only from the calendar year 1956 or comparable tax year where it runs to a date other than December 31.

It is difficult to realise that editions of the digest were first published in 1923 and 1928. The 1951 edition was published in two volumes.

The usual disclaimer is incorporated that the subject matter has not been scrutinised by the authorities of the countries in which the law is in force and is not an authoritative official exposition of those laws.

We welcome the new publication and look forward to its completion.

Recent Tax Cases

By W. B. COWCHER, O.B.E., B.LITT.

Income Tax

Trade—Adventure in the nature of trade—Speculative property transaction—Joint venture by five persons—Sale of property after short interval—Whether profit assessable as arising from adventure in the nature of trade—Income Tax Act, 1952, Sections 144, 526.

In *Burrell, Webber, Magness, Austin and Austin v. Davis* (Ch., 1958, T.R. 365) the five appellants had gone in for a speculation in real estate. One of them, Burrell, was a solicitors' managing clerk who saw a piece of property which he thought "ripe" for development and conceived that it would be profitable to buy it for that purpose. He got in the four other appellants. Altogether, of the five, Burrell and Webber were experienced property-dealers; the two Austins were brought in because their father had been in similar speculations and the fifth, Magness, because he was a farmer who was tenant of part of the property. The purchase contract was made in the name of Burrell on December 5, 1953, and completion was on January 18, 1954. The property had been conveyed to Burrell and Webber on trust for sale. All the joint owners were parties to the conveyance and had designated the first two appellants as

managing trustees. Half of the money had been put up by the appellants, the other half by borrowing from the bank.

Within a week the managing-trustees received an offer making it possible to realise the property at a profit and on January 26, 1954, an option was granted, which was taken up and the property conveyed, not to the person to whom the option had been granted but to one who stood in his shoes. The net result was a profit to the five participants of £4,085; and on April 13, 1955, a joint assessment on this sum had been made under the heading "Property dealing—Springfield Estate." Alternate assessments had also been made upon the several participants. On appeal, the Special Commissioners had confirmed the joint assessment made in accordance with Section 144 of the Income Tax Act, 1952, holding that it was an adventure in the nature of trade within Section 526 of the same Act, which describes "trade" as including "every trade, manufacture, adventure or concern in the nature of trade."

Harman, J., affirmed their decision. Referring to the extended meaning of the word "trade," he said: "What those words mean the judges have been trying to find out since long before 1952, and have never much succeeded."

The Special Commissioners had found that there was some trade and the question was whether this was justified. It was a finding of fact which, Harman, J., said, had to be considered in the light of the *Edwards v. Bairstow & Harrison* (1955, A.C. 14; 34 A.T.C. 198; 36 T.C. 207) rule. The Special Commissioners had summed up their findings as follows:

We find that the five appellants jointly entered into . . . the purchase of the estate with the intention of turning it to a profitable account . . . and that it was not their intention to hold it as a permanent investment. Mr. Webber and Mr. Burrell were experienced dealers in property; Mr. Magness and the two others were well aware of this . . . and . . . were content to leave to Mr. Burrell the method by which the estate could be realized at a profit.

and it was, he said, on these findings that they inferred that there was an adventure in the nature of trade.

The first attack, his Lordship said, was that the fact that two of the adventurers were experienced property-dealers, but three were not and had left the details to the former, was not a proper matter for the Special Commissioners to consider, having no bearing on whether there was a trade. As to this, he held it had a very strong bearing upon it. The fact that the matter was left in the hands of a man experienced in the trade was natural and, he thought, was sometimes an indication of engagement in trade. If it were a case of investment there was no reason why the first two adventurers were more qualified to judge about it than the last three; but if it was

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a question of property-dealing it was natural for those who did not know to put their fortunes into the hands of the two who did. So far from finding it to be a matter which the Special Commissioners ought not to have considered, he held it to be an important consideration.

Another attack was upon the finding that the intention of the appellants was to realise a profit either by development or by reselling. Mere intention, it was contended, was not enough. They had not developed it as estate developers did, or done anything of the kind because someone had turned up within a week with a tempting offer. Counsel, his Lordship thought, relied for that on *Leeming v. Jones* (1930, A.C. 415; 9 A.T.C. 134; 15 T.C. 333). A further contention was that even if trading was found in the case of the two property-dealers, it was otherwise as regards the other three, and reliance, his Lordship thought, was on some dicta *obiter* contained in the judgment of Lawrence, L.J., in *Pickford v. Quirke* (1927, 6 A.T.C. 779; 13 T.C. 251) but his Lordship did not feel the force of these. A further contention was that as regards the three inexperienced participants it was the case of a passive joint ownership; but this evoked a reply which gives to this judgment of Harman, J., its greatest importance:

This is not an assessment on each of them severally, it is an assessment on all five jointly. The fact that a man is a sleeping partner does not make him any the less liable for the losses of the partnership, if that partnership engages in trade.

On the facts, he held that the conclusion of the Special Commissioners was the only one to which they could properly have come.

The case is one of considerable practical importance because of the clarity of the issue and the number of similar instances; and it would seem desirable to refer to the two cases above mentioned. *Pickford v. Quirke* arose out of the short-lived cotton spinning boom of 1919, when most of the spinning companies were "turned over," the old shareholders being bought out by syndicates of persons, with expert knowledge of the trade, in different combinations and the undertakings floated as public companies with largely enhanced capitals. The Special Commissioners having held that the "turnovers" were not subject to joint assessments, the Revenue had to resort to assessments on individual participants, so exposing themselves to the

"isolated transaction" argument. In *Leeming v. Jones*, the successful appellant was an equal participant in a syndicate of four persons, two of whom were resident in the United Kingdom and two in Malaya. The Revenue had not had a joint assessment made upon the syndicate—the case does not say why, but no doubt there were good reasons—but Mr. Leeming had been assessed in respect of his share of the profit arising from the venture, and it was his personal position with which the courts were concerned. Primary intention being of great importance in such cases, it is obviously much easier to establish and more difficult to resist where there is a group than in the case of an individual. In the words of the Lord Justice Clerk in *Californian Copper Syndicate v. Harris* (1904, 5 T.C. 159 at page 166), a case approved by the Privy Council in 1914 (A.C. 1001):

Is the sum of gain that has been made a mere enhancement of value by realising a security, or is it a gain made in an operation of business in carrying out a scheme of profit-making?

On the facts, there could be in the present case only one answer to this question.

Income Tax

Profession—Author—Royalty payments—Royalties paid after death—Whether receipts of profession—Whether "annual payments"—Income Tax Act, 1952, Schedule D, Cases II and III.

The case of *Carson v. Peter Cheyney's Executor* (House of Lords, 1958, T.R. 349) is one which received wide publicity during its course through the courts, comparable with that given to the case of *Stainer's Executors v. Purchase* (1952, A.C. 280; 29 A.T.C. 741; 32 T.C. 367), from which case it has been held to be indistinguishable in principle. (The earlier notices will be found in our issues of December, 1957, page 530, and February, 1958, page 75.) Whilst *Stainer's* (Leslie Howard's) case was that of a film actor and producer, *Cheyney's* was that of an author who had died on June 26, 1951, and upon whose executor assessments had been made in respect of royalties falling due after his death under contracts made during his lifetime—namely, £10,000 for 1951/52 and £18,000 for 1952/53. They purported to be made under Schedule D, no particular Case being specified. The General Commissioners had decided in favour of the executor; Harman, J., had upheld their decision, finding himself bound by the *Stainer* decision; and his judgment had been unanimously

affirmed by the Court of Appeal. An equally unanimous House of Lords agreed that there was not sufficient difference between the two cases to distinguish between them.

From the speech of Lord Morton of Henryton it seems that Mr. Cheyney had entered into from fifty to sixty agreements with publishers, but that only four of them had been put in evidence, it being agreed that the decision as to these four should govern the whole unless the Court distinguished one of the four from another. One agreement specially considered was a contract whereby Mr. Cheyney granted a licence to translate one of his novels into French; but, as in the Court of Appeal, the distinction was held to be too fine to be material. The argument for the Crown was, said Viscount Simonds, that the royalties in question were throughout paid in consideration of the grant of a licence to use copyright and were therefore the income of property, but that during the carrying on of the profession they could be regarded as income within Case II, as had been done. On discontinuance, however, it was argued that, having always the character of income from property, they became taxable in that character. This argument was decisively rejected by the Court. For example, to quote from Viscount Simonds' speech:

First and last and all the time the payments are professional earnings whatever the mechanism through which they are paid.

Nevertheless, it is to be noted that Lord Reid, who was not a member of the House which dealt with *Stainer's* case, whilst holding it to be impossible to argue that an instalment of royalties was part of Mr. Cheyney's professional earnings on the day before his death but an instalment paid the day after was not, said that it might have some other character in addition but it could not cease to be part of his professional earnings. At the same time, Lord Reid, referring to the *Stainer* decision that the *post-mortem* royalties whilst not taxable under Case II could not be taxed under Case III, said:

I am not sure that I fully appreciate the reasons for the decision but I have no doubt that . . . I am bound by that decision whether I agree with it or not.

In the early part of his speech, Viscount Simonds referred to the fact that the executor had received sums in respect of contracts made by him with publishers after Mr. Cheyney's death, and admitted liability to assessment in such sums. Said his Lordship:

He may have been right or wrong in doing so. That question has not been in dispute nor have your Lordships seen the contracts. The matter is irrelevant to the present issue.

Lord Keith also spoke much to the same effect on this point.

Whilst it was held or conceded that the royalties in question could not be assessed during Mr. Cheyney's lifetime other than under Case II and that the option of the Revenue to choose between Cases of Schedule D did not apply, in the present writer's opinion the potential mischief of the decisions in *Stainer's* and the present case is wider than is generally realised. There would seem to be nothing to restrict the application of the principle to professional earnings. It would seem to be applicable to many cases within Case I of Schedule D where the benefits arising from business contracts lie in the future and are either wholly or partially unpredictable or incalculable at the time the contracts are entered into. With this principle in mind and failing counter-vailing legislation, it can be expected that many agreements will be "made to measure."

Surtax

Undistributed income of company—Direction—Actual income—Balancing charge consequent on sale of plant and machinery—Whether balancing charge part of "actual income"—Income Tax Act, 1918, Cases I and II of Schedule D, Rule 6—Finance Act, 1922, Section 21, Schedule I, paragraph 6—Finance Act, 1944, Section 29—Income Tax Act, 1952, Sections 245, 248, 255, 270, 279, 280, 292, 301, 323, 524 (4).

The issue in *C.I.R. v. Wood Brothers (Birkenhead) Ltd.* (House of Lords, 1958, T.R. 391) was as simple as it was important. The respondent company carried on the business of wholesale grocers until April 28, 1951, when it sold its business and ceased trading. On April 16, 1952, it went into voluntary liquidation. The company was a private company within the mischief of the legislation initiated by Section 21 of the Finance Act, 1922, to prevent avoidance of surtax by non-distribution of income; and the Special Commissioners in their assessing capacity, in pursuance of Section 245 of the Income Tax Act, 1952, had directed that for surtax the "actual income" of the company from all sources for the period from April 30, 1950, to April 16, 1952, should be deemed to be the income of the members. The actual income appor-

tioned under Section 248 (1) of the 1952 Act was £76,264 and included £18,675 balancing charge made under Sections 292 and 323 (4) of the Act. There was no dispute about the correctness of the computation, the only question being whether the balancing charge was apportionable as part of the "actual income from all sources" for the relevant purposes. Simplified for the purposes of this note, the balancing charge represented the excess of the amount realised by the sale of plant and machinery over its written-down value for income tax purposes.

The Special Commissioners in their appellate capacity had held that the £18,675 was not part of the "actual income"; and Harman, J. (Ch. 1957, T.R. 211) had upheld their decision. He attached great importance to the word "actual." The amount of a balancing charge was, he held, a capital profit: was never a distributable part of the income of a company and was not a receipt in any income sense. In his opinion, the tax charged was not income tax although levied as if it were. In the Court of Appeal, his decision was affirmed unanimously, Jenkins, L.J., giving the judgment of the Court. Nevertheless, although he held, by reference to a case apparently not brought to the notice of Harman, J.—*Thomas Fattorini (Lancashire) Ltd. v. C.I.R.* (1942, A.C. 643; 19 A.T.C. 331; 24 T.C. 328)—that the word "actual" had not the restrictive effect attributed to it by his Lordship, he could see nothing which directed that the amount of the balancing charge should be added to the amount of the profits or gains and, accepting the meaning of "actual" as held in the case mentioned, he still found it necessary to show by some express statutory provision that for income tax purposes the balancing charge was to be deemed income of the company. He found no such provision.

In the House of Lords, opinion was divided, Lords Reid, Morton and Somervell approving the decision of the lower Courts, Lords Simonds and Keith dissenting. The only full speeches were made by the two Scottish Judges Lords Reid and Keith. Lord Keith endorsed the arguments of the Crown. Lord Reid's speech was, characteristically, a methodical and closely-reasoned examination of the whole problem in the light of the relevant Sections. He pointed out that the annual depreciation allowances in respect of plant and machinery "assumed values in money remaining stable." If on sale

by a trader there was a surplus or deficiency shown as compared with the written-down value then "neglecting inflation" it could be said that the annual allowances had been too great or too little. In the course of his speech, he summed up the problem as follows:

To my mind the question is whether these Sections clearly designate the sum made subject to the balancing charge as part of the trading income for the year in question, or whether they merely provide, as a matter of machinery, that the balancing charge shall be charged and assessed as if it were a charge on that trading income.

The real question was not whether a sum made subject to a balancing charge was income in a general sense but whether it was income within the meaning of Section 245 and 255 (3). Concluding his technical argument, Lord Reid pointed out the incongruity of the Special Commissioners in considering whether to apply Section 245 had to take into account income which was not capable of distribution.

Estate Duty

Valuation of shares in private company—Shares held by trustees—Deceased first-named trustee—Whether trust shares to be included in determining whether deceased had control of company—Finance Act, 1894, Section 7 (5)—Public Trustee Act, 1906, Section 4—Finance Act, 1920, Section 53—Finance Act, 1937, Section 19, Schedule 4, paragraph 11—Finance (No. 2) Act, 1939, Section 13 (9)—Finance Act, 1940, Sections 55, 58—Finance Act, 1952, Section 34.

As everyone concerned with such matters knows, where under the provisions of Section 55 of the Finance Act, 1940, the valuation for estate duty of shares in private companies has to be made upon an "assets basis," the consequences are apt to be grave. In *Barclays Bank Ltd. (Shipside's Executor) v. C.I.R.* (Ch. 1958, T.R. 379) the question was whether in the circumstances the deceased had at any time within the five years preceding his death control of the company within the meaning of the Section. When Mr. Shipside died in December, 1955, he held 1,100 £1 shares in T. Shipside, Ltd., a company incorporated under the Companies Acts, 1908–1917, with an issued capital of 8,350 £1 shares. On December 1, 1936, deceased had made a settlement of 3,650 shares upon trusts for the benefit of his wife and children, taking no benefit himself under the

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settlement. Deceased and two other persons were the original trustees, and, as the result of changes, as from November 30, 1946, to the date of death, there were four trustees and in the register of the company the deceased's name appeared first. In its Articles the company had incorporated Table A of 1908; and by virtue of Article 61, deceased as the first-named trustee possessed the voting power in respect of the settlement shares, and these if added to his own holding would give a majority of votes in general meetings of the company.

The question whether in the above-mentioned circumstances Section 55 was operative in the valuation of the deceased's holding has long been recognised as one calling for judicial decision,

although there has been a series of important cases upon the subject of "controlling interests" in companies in connection with Corporation Profits Tax, Excess Profits Tax, and National Defence Contribution (profits tax). On a broad generalisation these cases have established that: (a) the register of shareholders is of highest importance; (b) the voting rights of a trustee are the same as those of other shareholders; (c) the fact that a trustee voting may be bound by duty or injunction to vote in a particular way is irrelevant so far as the company is concerned; and (d) whether the trustee is or is not beneficially interested in the holding is similarly irrelevant. Danckwerts, J., after a long and careful analysis of the cases in question finally concluded that Mr.

Shipside had not "control of the company." By Section 55 (5), control of a company in a fiduciary capacity has to be disregarded for the purposes of the Section; but, by Section 58 (5), this exception is not to apply where the fiduciary capacity arises under a disposition made by him and, seeing that the question in the present case arose out of the settlement of December 1, 1936, it is not clear to the present writer that the settlement shares had not to be taken into account in considering whether Mr. Shipside was in control of the company up to the time of his death. As a matter of ordinary common sense there would seem to be only one answer to the question who was factually in control. The case will, no doubt, be carried further.

Tax Cases— Advance Notes

COURT OF APPEAL (Jenkins, Romer & Pearce, L.JJ.).

Independent Television Authority and Associated-Rediffusion Ltd. v. Commissioners of Inland Revenue. February 9, 1959.

Their Lordships in a reserved judgment unanimously dismissed this appeal by the Authority and Associated-Rediffusion against a judgment of Wynn-Parry, J. (see ACCOUNTANCY for January, 1959, page 31).

Leave to appeal to the House of Lords was given.

Bullock (H.M.I.T.) v. Unit Construction Co. Ltd. February 12, 1959.

Their Lordships in a reserved judgment unanimously dismissed this appeal by the taxpayer from a decision of Wynn-Parry, J. (see ACCOUNTANCY for January, 1959, page 28), who had held that three subsidiaries of the appellant company were not resident in the United Kingdom for the purposes of Section 20 of the Finance Act, 1953.

Leave to appeal to the House of Lords was given.

CHANCERY DIVISION (Upjohn, J.).

Phillipson-Stow v. Commissioners of Inland Revenue. January 14 and February 10, 1959.

Two questions were raised in the summons. The first concerned the liability to estate duty of an immovable outside the United Kingdom.

F. died in 1908 resident and domiciled in England. By his will he devised his real and personal estate in the United Kingdom and South Africa to trustees on trust for sale and conversion, with power to postpone such sale or conversion, and directed that, after payment of debts and legacies, they were to invest the residue. The residue was to be held in trust for E. (the deceased) for life, then to E.'s son for life with remainders over. By clause 2 of the will, F. declared that: "inasmuch as I have an English domicile it is my wish and intention that this my will . . . shall be construed and operate as far as the case admits according to the law of England."

The property comprised in the settlement included a farm in South Africa, which remained unsold at E.'s death. The question for decision was what was the proper law of F.'s will concerning the South African farm? If it were neither that of Scotland nor England, the farm would be exempt from duty by Section 28 (2) of the Finance Act, 1949, it being conceded that the farm was, by the law of South Africa, immovable

property. His Lordship, in a reserved judgment, decided that the proper law was English and that the property was liable to duty.

The second question raised in the summons concerned the Barton Bendish estate in England, which was wholly agricultural property.

Shortly before his death, E., as tenant for life under F.'s will, agreed to purchase this property, it to form part of the settled estates. E. paid a deposit, but died before the completion date. The special representatives of the estate claimed to bring in the whole value of the property (on which agricultural relief was available) and deduct the balance owing of the purchase price as a debt against the settled estates and capital moneys generally. Upjohn, J., held, however, that what passed on E.'s death was his equitable interest in the property, which was the right to enforce the contract at the date of completion. This was to be valued at the amount of the deposit and only this sum was entitled to agricultural relief.

COURT OF APPEAL (Jenkins, Romer and Ormerod, L.JJ.).

Re Tapp, deceased. February 18, 1959.

The Court reserved judgment in the appeal of the Crown against the decision of Danckwerts, J., on July 29, 1958. (See ACCOUNTANCY for September, 1958, page 471.)

The Month in the City

Relapse Follows Rally

The stock markets got off to a really good start last month with considerable rises in all main sections, for the first week at least. In the gilt-edged market prices continued to rise despite considerable sales of both Conversion 4½ per cent. and Funding 5½ per cent. by the Departments, in addition, as later transpired, to further substantial selling by the London clearing banks to help finance a further marked expansion in advances. At the end of the first week, selling of Conversion 4½ per cent. ceased and sales of the (roughly) equivalent Conversion 4½ per cent. were not appreciable—but it remains the fact that the authorities have ample stock to control both the long and the short end of this market. But the virtual suspension of control of capital issues by home borrowers outside the trustee list had already been announced and was the occasion of a partial setback in both the Funds and industrial equities, though the short end of the former market was sustained by renewed talk of a fall in Bank Rate and an actual drop in the rate for Treasury bills below 3 per cent. The changes in control, discussed below, were not expected to lead to a rush of actual issues but did in fact add a sense of urgency to any statements about proposals to raise new capital, a sense which had not existed under the control. In the event, within a few days of the end of February all the items of the *Financial Times* index stood at new highs for the month. The general rise was based on a number of factors, including evidence of the power of this country to attract foreign funds; concrete evidence of the growth of consumer spending; rather better results from the survey by the *Federation of British Industries* of the current position and prospects of industry; and, perhaps, hopes of some solid results from the Prime Minister's visit to Moscow. Unfortunately, at this point rather disappointing reports from Russia were combined with disappointment at the failure of the authorities to reduce Bank Rate and, later, with a renewed rise in bill rates, with the result that all markets suffered a reverse particularly marked on the last trading day of the month, so that the index for the Funds was actually carried below its opening point. The position is summarised by the following changes in the indices of the *Financial Times* between

end-January and end-February, the figures in brackets being the highest quotations of the month: Government securities down from 86.56 to 86.34 (87.10); fixed interest up from 93.43 to 93.59 (94.21), industrial Ordinary from 212.8 to 218.7 (219.8); gold shares 87.5 to 88.6 (91.3).

Borrowing Control Emasculated—

An outstanding development was the announcement that business and individuals in the United Kingdom need no longer make application to the Capital Issues Committee if they wished to raise funds (see our issue for February, page 59). So far as domestic issues are concerned, consent to redeemable "bonus" issues must still be obtained from the Treasury in the interests of the Inland Revenue, while trustee borrowers are still required to obtain sanction from the Bank of England on the terms and date of issues (over the £50,000 limit in any one year). All foreign borrowers are subject to full control as in the past, and neither the power of control nor the C.I.C. itself is abolished. The whole irksome business can be restored at any time without formality. Earlier relaxations and the presence now of substantial sums—in part foreign—seeking investment mean that the change will have no very substantial effect at once, but it is a good thing that the discriminatory element has gone.

—And Foreign Exchange Control Mitigated

From February 17 legacies can be remitted in full to countries of the dollar area and emigrants to these countries may take up to £5,000. Both these permits have applied for some time to all other countries and their extension to the dollar area is merely a reflection of the growth in general convertibility of currencies, but is not the less welcome for that. The relaxation also applies to old legacies blocked since 1951 or later. Another welcome step is the restoration of permission for London usance credits to finance trade between countries outside the sterling area: such credits have been banned since September, 1957. Unfortunately, re-finance facilities and overdrafts to non-residents, stopped at that time, are still prohibited. The relaxations on foreign exchange control should be read, with the decision not to take up any of the

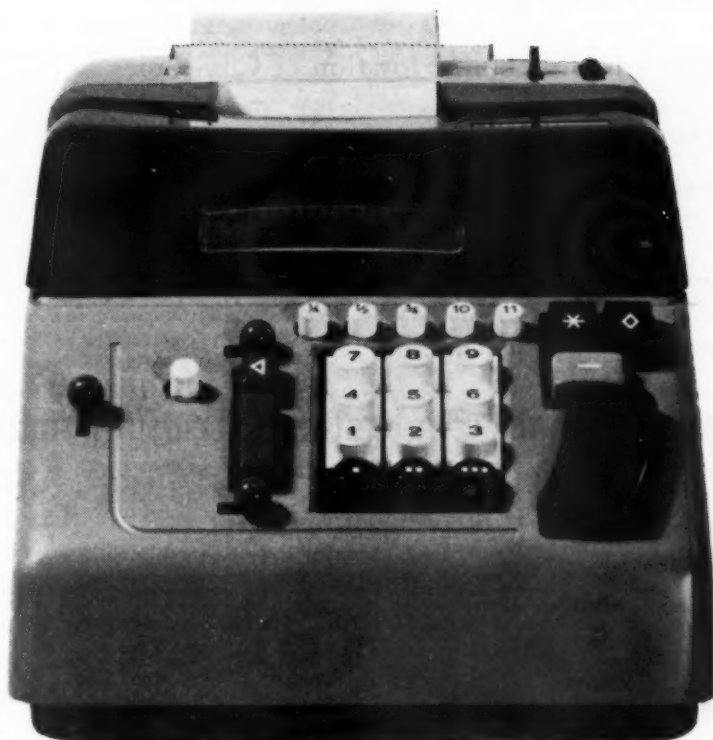
second half of the dollar credit granted to us by the *Eximbank*, as further evidences of the strength of sterling.

New Capital Demands

The first major public issue of the month was the offer by *Esso* of £15 million 5½ per cent. Debentures 1979–83 at 98. The offer secured applications totalling £185 million, with allotment by ballot. More interesting in some ways was the offer by the *Federation of Rhodesia and Nyasaland* of £10 million 6 per cent. stock 1978–81 at 99; it was more than covered and established a premium before the recent troubles in the area disturbed the whole market for African securities. The announcement about the changes in the capital control was followed by news of a number of rights issues, of which the first to be announced was a plan to raise £4,250,000 by *Rediffusion*. Somewhat later the *Midland Bank* announced an offer of one for eight new shares at 40s. to holders on the basis of holdings prior to the free scrip issue. Later in the month *Lloyds Bank* and the *National Provincial* announced their intention to make issues. Of other offers, actual or prospective, that by the *Shield Unit Trust* was more than fully covered, while *Showerings*, of Babycham fame, offering 2.4 million 5s. shares at 16s. secured application for some 37 million shares. *Dalgety* are making issues of shares and debentures here and of income notes in Australia and there have been some placings of moderate amount, while a number of other issues are known to be in preparation.

Stock Exchange Publicity

The first week of the month brought the latest development in the efforts of the London Stock Exchange to improve relations with the public—the showing of a film, long in preparation. It is to be run, several times daily, in a special cinema adjoining the public gallery. Opinions on the merits of the film differ but, in conjunction with the engagement of three attractive young women who now conduct visitors to the gallery and explain what is happening on the "Floor", this latest step may well mark a real development. At least it is to the credit of the Council of the Exchange that it is the first section of the London financial machine to make continuously available on its own premises a comprehensive and readily intelligible account of the business. There are, nevertheless, other ways in which progress by the Council towards encouraging interest and participation by a wider public seems to be overdue.



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Points From Published Accounts

Revaluations

The provision of adequate depreciation of fixed assets continues to be a matter of concern for many companies, and in recent months there has been a steady stream of revaluations of fixed assets. *Brooke Bond* is one company that has carried out the operation, with the result that there is shown a net surplus of £1.1 million over the net book value of freehold and leasehold land and buildings. It is to be noted that the revaluation has been limited to these items because "vehicles are replaced fairly quickly and revaluation of plant and machinery would not have revealed any significant increase in value for the accounts work involved."

Many other companies have revalued their fixed assets primarily with a view to arriving at a more realistic statement not only of the assets, but also of the necessary provision for replacing working plant and equipment. Obviously, the nature of the undertaking plays a big part in the approach which is adopted to this subject, but it remains a fact that the largest differences between book value and current value have been in real property, whose value has risen steadily over the post-war years—largely as a result of inflationary trends.

Other changes have taken place in the *Brooke Bond* accounts as well. The bulk of the trading assets in the United Kingdom has been transferred from the parent to *Brooke Bond Tea*, and, as a result of this move, the total investment in subsidiary companies in the parent balance sheet stands at £14.2 million, compared with £6.7 million a year previously. The change is purely an internal one and does not affect the consolidated accounts.

Simplified Depreciation Policy

Another large company has been discussing depreciation—*Tube Investments*. The following passage from Sir Ivan Stedeford's statement is of particular interest because of the light which it throws upon the policy adopted by the group: "It is our normal practice to write off out of profits all items of plant in ten equal instalments, so that, with minor exceptions, none of our equipment more than ten years old figures in our accounts." This uniform straight-line method certainly has the virtue of

simplicity. Over a wide range of equipment the different rates and the uneven rates at which different pieces depreciate tend to balance out.

An interesting sidelight is the way in which the surplus on revaluation of plant, machinery and equipment on revaluation in 1948 has been treated. This surplus, amounting to £5.5 million, was transferred straight to capital reserve. In the ten years that have followed, the company has written off, out of profits, the whole of the value of the assets as they stood in 1948 so that the capital reserve is now matched by other assets—whether current or fixed—by reason of the retention out of profits. In other words, what was formerly a capital reserve is now a revenue reserve—and the change has been made effective in the balance sheet.

Over-Distribution by Subsidiaries

J. Gliksten has produced an excellent set of accounts. The company is a leading timber merchanting concern, and the compilers of the accounts have shown considerable imagination in facing the covers with a timber veneer, which not

only looks attractive, but immediately focuses attention on the trading activities. The accounts themselves are well laid out, in an orthodox fashion, though the profit and loss account is presented in the transatlantic style, with revenue from trading on the left-hand side instead of the right. The profit and loss account shows a net profit of £295,770 available for distribution as dividends, after deducting £1,232 attributable to minority interests, and it is interesting to see that this sum is made up of £315,687 attributable to the parent after receipt of dividends from subsidiaries, less £19,917 attributable to the subsidiaries, after payment of dividends to the parent. It follows that the subsidiaries have paid to the parent in dividends more than they actually earned during the year, and confirmation of this can be found in Mr. S. G. Gliksten's statement, accompanying the accounts, that the over-distribution has been made "in order to benefit from tax concessions in respect of Overseas Trade Corporations." Exactly how the benefit is derived is not explained, but from the shareholders' point of view the whole operation is largely a matter of book-keeping, since the extra profit paid to the parent is merely being returned to reserves through an increased allocation of £150,000 against £50,000 to the general reserve of *J. Gliksten and Son*. This enlarged transfer more than offsets, in fact, the reduction of £43,334 in the general reserves of the subsidiary companies.

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Publications

Operational Research in Practice. Editors: Max Davies and Michel Verhulst. Pp. 201. (Pergamon Press Ltd., London: 84s.)

REPRESENTATIVES OF THE N.A.T.O. powers gathered in Paris during 1957 to discuss their work on operational research, and the conference is said to have proceeded "from the military basis of operational research to the civilian and industrial applications." This billing, and the beguiling title, may mislead civilian executives into expecting a useful account of the application of O.R. in industry and administration, which in this report—well, if expensively produced—they will not find. The book deals almost exclusively with military applications.

The opening address, by Sir Solly Zuckerman, has some interesting points about the need for O.R., and reminds us that its main use is in the application of scientific methods to strategic and tactical situations—in a word, to policy. (The fact that herein lies its main value to industry and administration has never been widely appreciated in civilian life.) There follow brief accounts of O.R. activities in seven N.A.T.O. countries, excluding America and Britain. Then come the main papers: seven dealing with military planning and decision problems, two with the analysis of systems of air defence, two rather trivial general papers, and a fascinating account of the extensive and evidently valuable use of O.R. war games by Japan during the war. The book ends with the deferred accounts of the American and British efforts, and a review of the future for O.R. with N.A.T.O. countries which achieves just what one would expect in a ten-page general comment on so vast a subject.

Except for those engaged in military pursuits, then, this book must be a disappointment. It may be that others have the patience to read of these bellicose applications, and to ask themselves what this all means to the civilian. Unfortunately, the answer might be "nothing." A valuable opportunity has been missed really to project military O.R. work into the civilian sphere, and the sad fact is that readers might easily but erroneously conclude that no civilian work has been done.

For example, the British paper on the "organisation for operational research

in the United Kingdom" concentrates on the Services and the Defence and Supply Ministries. Only one page in the whole book deals with the extensive field of industrial O.R. in this country, and this takes the curious form of asserting that the British Institute of Management is interested in this work. We may hope that it is. But the diagram on page 157, which shows the Institute benignly presiding over the O.R. interests of the professional societies as well as the whole of industrial O.R., has been received by at least some O.R. men with considerable amusement.

S.B.

A Simple Guide for the Taxpayer. By John Wood. Pp. 99. (Putnam & Co. Ltd.: 9s. 6d. net.)

THIS IS AN excellent little book as a general outline to our complex taxation system and the author deserves congratulation for packing so much information into its one hundred pages. The book covers the general field of taxation—the computation of liability, the incidence of the taxes and their collection—and deals not only with income tax and surtax but also estate duty and indirect taxation. A final chapter completes the picture by giving details of how the tax revenue is spent.

The author rightly emphasises the important difference between the average rate of income tax an individual suffers as compared with the standard rate and the marginal rate of tax he bears on his top slice of income. The book also contains a useful chapter dealing with the advantages and disadvantages of various types of investment from the viewpoints of taxpayers in both the lower and the higher ranges. Valuable information is given on the effect on a taxpayer's income of investing in a company having a low net U.K. rate of tax, as a result of which an individual may have his tax repayment restricted—a matter the importance of which is often not sufficiently appreciated by the smaller investor.

The chapter on indirect taxes brings home very clearly to the individual the burden he has to bear per £1 of expenditure on smokes, drinks and transport. Few people realise the heavy rates involved as compared with the average burden of direct taxation. In so far as the individual can choose to a considerable extent how he spends his money, he can, however, voluntarily mitigate his indirect tax burden—not so easy a matter when it comes to direct taxation.

For the layman, for whom it is primarily intended, this book contains a

wealth of information and is written in a lucid and easily readable style. However, a little knowledge is often a dangerous thing and, as the author himself mentions, guidance will inevitably have to be obtained by the ordinary person from the experts when difficult problems arise.

G.P.M.J.

Book-keeping and Accounts. By Derek Thomas. Pp. vi+316. (University of London Press: 10s. 6d. net.)

THIS ELEMENTARY TEXT-BOOK on book-keeping has been written for persons studying for "business, general certificate and other examinations."

The approach is a practical one: the underlying theoretical principles are introduced only gradually, as they arise in the course of the argument. The workings of a set of books are explained stage by stage, starting from the day books and going right through to the extraction of the final accounts and balance sheet.

The author then goes on to explain some of the complications involved in partnership accounts, bills of exchange and wages records. He also goes into certain of the more intricate details of the preparation of the final accounts.

Although the book does not set out to cater for the examinations of the professional accountancy bodies a chapter is included outlining the special requirements of these examinations.

The value of the book to the student is enhanced by the questions on the text and exercises to be worked, given at the end of each chapter (with answers to the questions at the back of the book). In addition, the text is profusely illustrated with examples, made more effective by the fact that this edition has been produced in a new format, with the page wider than it is high, allowing a good spread for the presentation of accounts.

The work should well serve, not only candidates for elementary examinations in book-keeping, but also the junior audit clerk who will go further but now requires an introduction to the subject.

T.G.L.

Books Received

"Taxation" Manual. Compiled under the direction of Percy F. Hughes. 9th edition. Pp. xxviii+455. (Taxation Publishing Co. Ltd.: 25s. net.)

Housing Statistics (England and Wales) 1957/58. Pp. 179. (Institute of Municipal Treasurers and Accountants: 10s. 6d. net.)

Legal Notes

Company Law—

Oppressing Minority Shareholders

The case of *In re Harmer Ltd.*, which was noted in ACCOUNTANCY for December, 1958, on page 633, has now been fully reported in [1959] 1 W.L.R. 62.

Contract and Tort—

Repairing Covenants in Leases

There must have been thousands of leases under which the landlord is, broadly speaking, liable for repairing the exterior and the tenant for repairing the interior, yet there is little authority on the exact line of demarcation. Much, of course, depends on the precise words used in any particular contract, and the covenant that the Court of Appeal had to construe in *Holiday Fellowship Ltd. v. Hereford* [1959] 1 W.L.R. 211 was a covenant by the landlord to keep in repair "the main walls, roofs . . . of the demised premises." The Court of Appeal agreed with the trial judge that under this clause the landlord was not bound to keep in good repair the windows and window frames. The Court said that it was a question of degree; if the sides of a building were largely constructed of glass, the windows might well be said to be part of the "main walls," but where, as in this case, the demised premises were an ordinary house with walls and the normal amount of windows, the windows were not included in the expression "main walls."

Contract and Tort— Trespass to the Person

It is rare in these days for a case arising on a point of pleading to establish an important principle of substantive law, but *Fowler v. Lanning* [1959] 2 W.L.R. 241 is an exception. The plaintiff had suffered injury from a shooting accident and in his statement of claim he merely alleged that on a certain date and place "the defendant shot the plaintiff." There was no suggestion that the shooting was intentional and the defendant contended that the statement of claim disclosed no cause of action, as there was no mention of negligence. Now it has long been the law that in highway cases a plaintiff who complains of an unintentional injury must prove negligence in order to succeed, and it was also recognised in other cases that, if in fact there was no negligence, the defendant

would succeed. The real point at issue in the present case was whether the burden lay on the plaintiff to prove negligence, or on the defendant to prove that there was no negligence. Diplock, J., held that in all cases of unintentional injury to the person, whether the accident occurred on a highway or elsewhere, the plaintiff must now prove negligence in order to succeed.

Contract and Tort—

Rise and Fall Clauses

The case of *Henry Boot & Sons Ltd. v. London County Council* [1959] 1 W.L.R. 133 was concerned with the construction of a "rise and fall" clause in a building contract. The clause provided that if during the currency of the contract "the rates of wages" payable for any labour employed in the execution of the works should be increased above or decreased below the corresponding rates in force at the date of the tender, an allowance should be made in the contract price. The Court of Appeal held that in this context the expression "rates of wages payable" included weekly payments made at agreed rates under a scheme organised by the building trade for providing holidays with pay for the workmen.

Insolvency—

Setting Aside Gift

In *In re Eicholz deceased* [1959] 2 W.L.R. 200 the trustee of E. deceased, whose assets were being administered in bankruptcy, claimed a declaration against E.'s widow that she was holding a freehold house as trustee for the estate of her deceased husband and not beneficially.

Shortly after his marriage in 1955 the deceased had contracted to buy the house and had paid for it out of his own moneys, but the conveyance was taken in the wife's name. The court held that on the facts there had been a gift of the house to the wife, but there was not sufficient evidence to show that the gift had been made in consideration of marriage; therefore the gift was voluntary and not made for good consideration. Investigations after the deceased's death showed that he was hopelessly insolvent both at the date of the gift and at the date of his death in 1957, and there was no doubt that the effect of the gift was to defeat the deceased's creditors.

The trustee in bankruptcy conceded that, as the deceased has not been made bankrupt in his lifetime, the gift could not be set aside under Section 42

of the Bankruptcy Act, 1914, because of the decision in *In re Gould* [1887] 19 Q.B.D. 92. The trustee, however, contended successfully that the gift could be set aside under Section 172 of the Law of Property Act, 1925. The relevant parts of this Section are: "(1) Save as provided in this Section, every conveyance of property made, whether before or after the commencement of this Act, with intent to defraud creditors shall be voidable at the instance of any person thereby prejudiced. (2) This Section does not affect . . . the law of bankruptcy for the time being in force." It was argued on behalf of the widow that by an extension of the doctrine of *In re Gould* an action would not lie under Section 172 of the Law of Property Act, 1925, after an order had been made under Section 130 of the Bankruptcy Act, 1914, for the administration of the estate in bankruptcy. Harman, J., rejected this argument and granted to the trustee the declaration which he sought.

An Accountant's Guide to Recent Law

STATUTORY INSTRUMENTS

No. 103. Copyright Act, 1956 (Transitional Extension) Order. Repeal of Act of 1911 not to affect protection, in other countries where Act continues to be law, of works originating in a country of Commonwealth.

No. 171. Agriculture (Miscellaneous Time-Limits) Regulations. Time specified within which notice to or by tenant is to be given.

No. 161. Export of Goods (Control) Order. Prohibitions and restrictions on export of goods.

No. 207. National Insurance and Industrial Injuries (Collection of Contributions) Amendment Regulations. Amending regulations relating to contributions in weeks in which certain limited remuneration paid and no services rendered.

No. 244. Town and Country Planning (Mortgages, Rentcharges, etc.) Amendment Regulations. Providing for the application of moneys paid under Parts I, II and V of Act of 1954 as capital moneys in order that trustees may exercise powers under Settled Land Act, 1925, or Trustee Act, 1925.

No. 258. Rate-Product Rules.

No. 259. Rate-Product (County Boroughs) Rules. No. 288 and 289 provide for determination of product of a rate for 1959/60 and subsequent years.

No. 260. Precepts Rules. Prescribing new forms of precepts for use by county councils and Receiver for Metropolitan Police District.

DECISIONS OF THE COURTS

Conflict of Laws

Semble: the doctrine of *renvoi* has no place in the field of contract.

In re United Railways of the Havana & Regla Warehouses Ltd. (2 W.L.R. 251; 1 All E.R. 214).

Contract

Shipowners bound by declaration of master as to capacity of ship; and exceptions clause did not excuse them for his negligence in overstating it.

Louis Dreyfus & Cie v. Parnaso Cia, Naviera S.A. (T.N. Feb. 14).

Term implied in charterparty that shipowners would obtain whatever permission necessary within reasonable time.

Compagnie Algérienne de Meunerie v. Katana Societa di Navigazione Marittima, S.P.A. (2 W.L.R. 366; 1 All E.R. 272).

Factory

Statutory duty of workman to use safety appliances provided.

Ginty v. Belmont Building Supplies Ltd. (1 All E.R. 414).

Landlord and Tenant

Surrender of statutory tenancy may be made by operation of law without giving up of physical possession.

Collins v. Claughton (1 W.L.R. 145).

The principle in *Walsh v. Lonsdale* cannot be invoked in cases where an agreement for a lease is subject to a condition precedent which remains unperformed by proposed tenant and has not been waived by landlord.

Cornish v. Brook Green Laundry Ltd. (2 W.L.R. 215; 1 All E.R. 373).

Held, on construction of repairing clause in lease, that windows of demised premises were not part of the "main walls"; but question in each case is one of degree.

Holiday Fellowship Ltd. v. Hereford (1 W.L.R. 211). See page 165.

Lease by local authority held void *ab initio* as necessary consent of Minister had not been obtained.

Rhyl U.D.C. v. Rhyl Amusements Ltd. (1 All E.R. 257).

Partnership

Application refused to stay proceedings in Chancery Division so that matter could go to arbitration as provided in deed of partnership between medical practitioners.

Melgrave & Melgrave v. Finer (T.N. Feb. 18).

Rating

Trust for purpose of providing housing for poor people held not established or conducted for profit and therefore entitled to relief under Section 8 (1) of the Rating & Valuation (Misc. Provisions) Act, 1955.

Guinness Trust (London Fund) v. West Ham Borough Council (T.N. Feb. 5).

Not entitled to relief under Section 8 (1) as main object neither charitable nor otherwise concerned with furtherance of education.

English Speaking Union of the Commonwealth v. Westminster City Council (T.N. Feb. 6).

Decision of local valuation court that exempt from payment of rates held not *res judicata* on subsequent appeal by same parties to same court in respect of different valuation list.

Society of Medical Officers of Health v. Hope (T.N. Feb. 10).

Restrictive Practices

Price fixing scheme terminated after reference by Registrar held contrary to public policy.

In re British Constructional Steelwork Association's Agreement (1 All E.R. 428).

Trespass

Trespass to the person does not lie if injury to plaintiff was caused unintentionally and without negligence on defendant's part, whether on highway or elsewhere.

Fowler v. Lanning (2 W.L.R. 241; 1 All E.R. 290). See page 165.

Trusts

Orders made under Variation of Trusts Act, 1958.

Chapman v. Chapman (No. 2) (T.N. Feb. 13).

In re Dame Edith Coates' Will Trusts (T.N. Feb. 21).

Order made under Act of 1958. Per Vaisey, J.: These cases should be heard in open Court.

In re Rouse's Will Trusts (T.N. Feb. 19).

Two possible courses in variation of investment clauses, but in majority of cases the most convenient course is probably to produce a new clause.

In re Byng's Will Trusts (T.N. Feb. 25).

Act of 1958 is not meant to override discretion of trustees which they wish to exercise.

In re Steed's Will Trusts (T.N. Feb. 26).

Approval given to variation of charitable trust by addition of clause to avoid Section 22 of the Finance Act, 1958, operating on income.

In re Roberts' Settlement Trusts (T.N. Feb. 27).

Weights and Measures

Mens rea not a necessary ingredient of offences under Section 29 (2) of Weights and Measures Act, 1889. Sellers guilty in respect of deficiency in sacks of coal arising from larceny of servant.

Winter v. Hinckley & District Industrial Co-operative Society Ltd (1 W.L.R. 182; 1 All E.R. 403).

Will Construction

Charitable bequest held not to fail by reason of delay by executors beyond period provided in will, as distribution of estate had not in consequence been held up.

In re Sellinger's Will Trusts (1 W.L.R. 217; 1 All E.R. 407).

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ABBREVIATIONS USED

All E.R. The All England Law Reports

T.N. The Times Newspaper

W.L.R. The Weekly Law Reports

Note: Taxation law excluded

Notices

The monthly meeting for Bible reading and prayer of the Accountants' Christian Fellowship will be held at 6 p.m. on Monday, April 6, in the vestry at St. Mary Woolnoth Church, King William Street, London, E.C.4. The scripture for reading and thought will be Ephesians, Chapter 1, verses 15 to 23 (Paul's prayer for the Christians in Ephesus).

The Institute of Chartered Accountants of Scotland has arranged for its members an electronic data processing course, to be held at Troon from April 15 to 18. It will be an intensive course, particularly suitable for members in practice or in medium-sized or smaller industrial companies. The programme begins with an introductory film session and ends with a visit to see a computer in operation at Greenock.

Parties for holidays in Italy and Spain between June and September are being organised by Mr. D. R. Waters, a member of the London Students' Society. Details can be obtained from Mr. Waters, c/o Chartered Accountant Students' Society of London, Spencer House, South Place, E.C.2.

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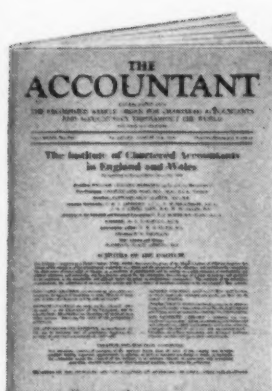
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Letters to the Editor

Directors' Remuneration

Sir,—It is normal in the Articles of Association of limited companies for provision to be made for the payment of directors' remuneration. It usually takes one or more of four forms, as follows:

1. A fixed sum (either per director or divisible amongst the directors), commonly described as "fees" in business circles though usually described as "directors' remuneration" in the Articles of Association, and normally fixed either by the Articles themselves or by the members in general meeting;

2. A further sum, normally described as "special remuneration," payable to directors who perform special services, such as going abroad—usually left, under the Articles, to be fixed by the directors;

3. Remuneration payable to managing directors, normally left under the Articles to be fixed by the directors; and

4. Remuneration payable in the form of salaries, etc., to directors who perform managerial or executive functions, usually under an Article permitting directors to hold any other office of profit under the company and to receive such remuneration as the directors may decide.

In the absence of an Article such as that mentioned in (4) above, the problem arises whether directors (other than managing directors or those performing "special services" such as going abroad) are entitled to receive salaries, etc., or whether their remuneration must be limited to the "fees" under (1) above, even if they carry out executive duties.

Counsel's opinion was obtained by the Institute of Chartered Accountants in England and Wales in 1948 from three Counsel acting jointly, Sir Cyril Radcliffe G.B.E. (now Lord Radcliffe), Mr. Montagu L. Gedge and Mr. Walker K. Carter. (See the *Members' Handbook*, section O2, pages 27–28.) They stated:

In our opinion Section 196 of the Companies Act, 1948, is intended to draw a distinction between services as a director and services as manager or executive. The conception seems to be that directors control the policy of the company, whereas managers carry out the decisions of the directors and take the action necessary to give effect to those decisions. The distinction is not easy to work out logically, since directors are inherently managers. In sub-Section 196 (2) (a) both directorial and managerial functions are referred to; the directorial functions by the words "in respect of his services as director" and the managerial functions by the words "or otherwise in connection with the management of the affairs of the company."

In our opinion emoluments in respect of services "as director" are

those fees which are paid to directors in their capacity as such and not in any managerial or executive capacity. Normally these would be fees fixed either by the articles or by the company in general meeting but they would, we think, include remuneration paid to directors for special services, e.g. for going or residing abroad or for serving on committees.

Emoluments paid in connection with the management of the affairs of the company in our opinion mean remuneration paid to a director for services in a managerial or executive capacity, e.g. as a managing director, manager, secretary or as a departmental head. Such remuneration would normally be paid under a service contract.

The Companies Act, 1948, obviously envisages "directors' remuneration" (*sic*) of two classes, directorial and managerial, as may be seen clearly by reference to Section 189 (1) and (2).

If we look to other legislation, we find that directors' remuneration is defined for profits tax purposes in the Finance Act, 1948, Section 71, which states:

In the enactments relating to the profits tax, the expression "remuneration" in relation to a director of a company includes all sums, whether actually paid to the director or not, which, by virtue of any of the provisions of the Income Tax Acts and, in particular, any of the provisions of Part IV of this Act, fall to be treated for the purpose of income tax under Schedule E as part of the salaries, fees, wages, perquisites or profits from his office as director or from any employment in which he is employed by the company.

Unfortunately, there seems little case-law on the subject, though *Charlesworth on Company Law* states at page 122:

Unless authorised by the articles, directors cannot vote remuneration to themselves or appoint one of their number to a salaried position with the company. "Directors have no right to be paid for their services and cannot pay themselves or each other, or make presents to themselves out of the company's assets, unless authorised so to do by the instrument which regulates the company or by the shareholders at a properly convened meeting." (per Lindley, L.J.)

Kerr v. Marine Products Ltd. (1928) 44 T.L.R. 292. The article governing directors' remuneration was the same as Table A, Art. 65. The directors passed a resolution appointing K., one of the directors, "overseas director" at a salary of £1,800 a year. In pursuance of this appointment, K. was obliged to go, and did go, to Australia.

He sued for arrears of salary. Held, the appointment was *ultra vires* the Board, so that K. could not recover the arrears of salary, and was liable to refund salary already received. (The reference is to Table A of the 1929 Act.)

There is an E.P.T. case, *Henry Richardson Ltd. v. Inland Revenue Commissioners* (63 T.L.R. 120 (1947) 1 All E.R. 275) where it was held (See McBain, *Concise E.P.T. and N.D.C.*, page 32 of the supplement):

Director's remuneration means the remuneration of a director for services rendered as a director.

The latter decision was negated by Section 63 of the Finance Act, 1947, as regards Excess Profits Tax and by Section 71 of the Finance Act, 1948 (see above) as regards profits tax, but the matter does not seem to have been decided in the Courts strictly as regards company law.

I should be grateful for some indication of the views of other readers.

Yours faithfully,

R. S. WALDRON, F.C.A.

London, E.C.2.

Basis of Assessment under Case VI of Schedule D

Sir,—It is my experience that very many excess rent assessments are being made on a preceding year basis by the local Inspector, with the result that one year's tax on the increased rents is lost to the national revenue, whereas, when a professional accountant is employed, computations for his clients are put forward on the correct legal basis of the actual year. The clients are thus being penalised by having their Case VI assessments based upon a correct interpretation of the law.

In correspondence with the Board of Inland Revenue, I have maintained that an Inspector has no option where there is no dispute but to make all his assessments on the basis of the actual profit of the year of assessment.

Section 135 (2) of the Income Tax Act, 1952, analysed, reads:—

The computation shall be made, either on the full amount of the profits or gains arising in the year of assessment, or according to an average of such a period, not being greater than one year, as the case may require and as may be directed by the Commissioners.

The view of the Board of Inland Revenue is the Section means that Inspectors of Taxes may please themselves as to the basis of assessment and, provided the taxpayer does not object, that is the end of the matter. The Board insist, however, on making one exception to this interpretation—namely, in respect of excess rent assessments under Sections 175 and 177 of the Income Tax Act (which each invoke Case VI of Schedule D). Here, when Section 135 (2) is applied, the Board insist that my interpretation is correct and that all excess rent assessments must, in the first instance, be based on the profit of the actual year of assessment.

Bearing in mind the general increases in all rents since the passing of the Rent Act this question is of considerable importance in connection with excess rent assessments. If assessments are to be made on a preceding year basis a large amount of tax is lost to the Revenue.

In the interests of equity as between all taxpayers it is obviously desirable that the same basis period shall be applied uniformly throughout the country and that the law should be clearly stated.

It will be obvious that it is highly unsatisfactory for Inspectors to be allowed to "please themselves" in the administration of the law as laid down by Act of Parliament. Readers' views are invited.

Yours faithfully,

G. L. MORTIMER, M.C., A.C.A.

Darlington.

[We agree with the reader that the Revenue must administer the law as it stands—that is, as he has set it out. We should be interested to hear from any other readers who have had a similar experience.—Editor, ACCOUNTANCY.]

Meal Vouchers

Sir,—We were interested to read in your February issue (page 85) an item under "Taxation Notes" relating to meal vouchers.

There is one important factor, not mentioned in your note, which arises from the statement of the Chancellor of the Exchequer changing the previous situation in regard to luncheon vouchers.

As from April 6, 1959, only that part of the voucher in excess of 3s. per day will be subject to tax, provided the other conditions mentioned in the statement are satisfied. Previously, these same conditions were enforced, but where a scheme was disallowed because vouchers were being given for a higher denomination than 3s., tax was payable on the whole voucher.

It will now be possible for firms to issue a basic tax-free 3s. voucher to all employees and where they think it necessary to issue vouchers of a higher denomination to the lower-paid staff, who will pay tax on the excess over 3s., they will be able to do so without losing Revenue approval of the entire scheme.

Yours faithfully,

JOHN R. HACK, A.C.A.,
Director.

Luncheon Vouchers Limited,
London, W.1.

"Own Agency"

Sir,—In dealing with the case of *Hugh v. Rogers* in Recent Tax Cases (ACCOUNTANCY, February, 1959, page 90) Mr. Cowcher suggests that a company makes the person concerned *his* own "agent"—something which he deems to be legally impossible. Mr. Justice Harman is also reported as saying "How you can be an agent for yourself I have never been able to see."

Does not this confusion result from a false premise?

How could any company "make the person concerned *his* own agent"? Surely

an agent is the agent of the principal who appoints him? What the company does in the circumstances is make the person one of *its* own agents, and any business passing through that agency relative to the agent's own personal affairs can conveniently be referred to as "own agency"—not "own agent."

Looked at in this way surely the arrangement becomes a legally correct and acceptable proposition without recourse to schizophrenia "by means of the Companies Act"?

Yours faithfully,

V. GAMMON, A.C.A.

Rickmansworth.

Payments to "Tied House" Garages in Ireland

Sir,—I have had some experience on the point in your reader's query on page 37 of the January issue. Until recently I was responsible for the audit of a petroleum distribution company in the Republic of Ireland. Considerable correspondence and negotiation had been going on between my firm and the Inland Revenue regarding the actual allowability of "tied house" expenditure in the accounts of the company. A decision was being deferred until a pending case with one of the other companies (either *Calten* or *Lobitos*) had been heard. It looked as though either the British case (*Regent Oil*) on this point would be

followed or the payments would be spread over the period of the agreement.

I am not aware of any cases regarding the treatment of such payments in the hands of the garage proprietors, but very full details of the names and addresses of recipients were required by the Revenue, and it certainly looked as if these payments would be assessable, also probably being spread over the period of the agreement.

A much more elastic view seems to be taken with regard to work done to the garages and also the making of gifts of equipment to proprietors.

If the payments and gifts of equipment are allowed in the accounts of the distribution company, they will almost certainly be taxable in the hands of the recipient, although a more lenient view may be taken in respect of secondhand equipment.

The company has now started to alter its system and is charging payments, equipment, etc., to the customer, the subsequent debit balance being written off by rebates on gallonage purchased.

I was inclined to the opinion that the extensive enquiries by the Revenue Commissioners were the only alternative to following the British case (*Regent Oil*) and it might be that the Revenue Commissioners would prefer not to follow that case.

Yours faithfully,

ULTRA-VIOLET.

Belfast.

Readers' Points and Queries

"Hiving-off" to Reduce Taxation

Reader's Query.—It is well known that the conversion of a business into a limited company in a period when profits are increasing has income tax disadvantages because of the operation of the "cessation" rules and the "opening years" rules. I was therefore interested to read the comments under the above heading in ACCOUNTANCY for November, 1958 (page 603), since the illustration showed that, by transferring a business to a company in two parts in two successive years, the total assessments were actually lower than on a "continuing" basis, in spite of the fact that profits were increasing throughout the period covered.

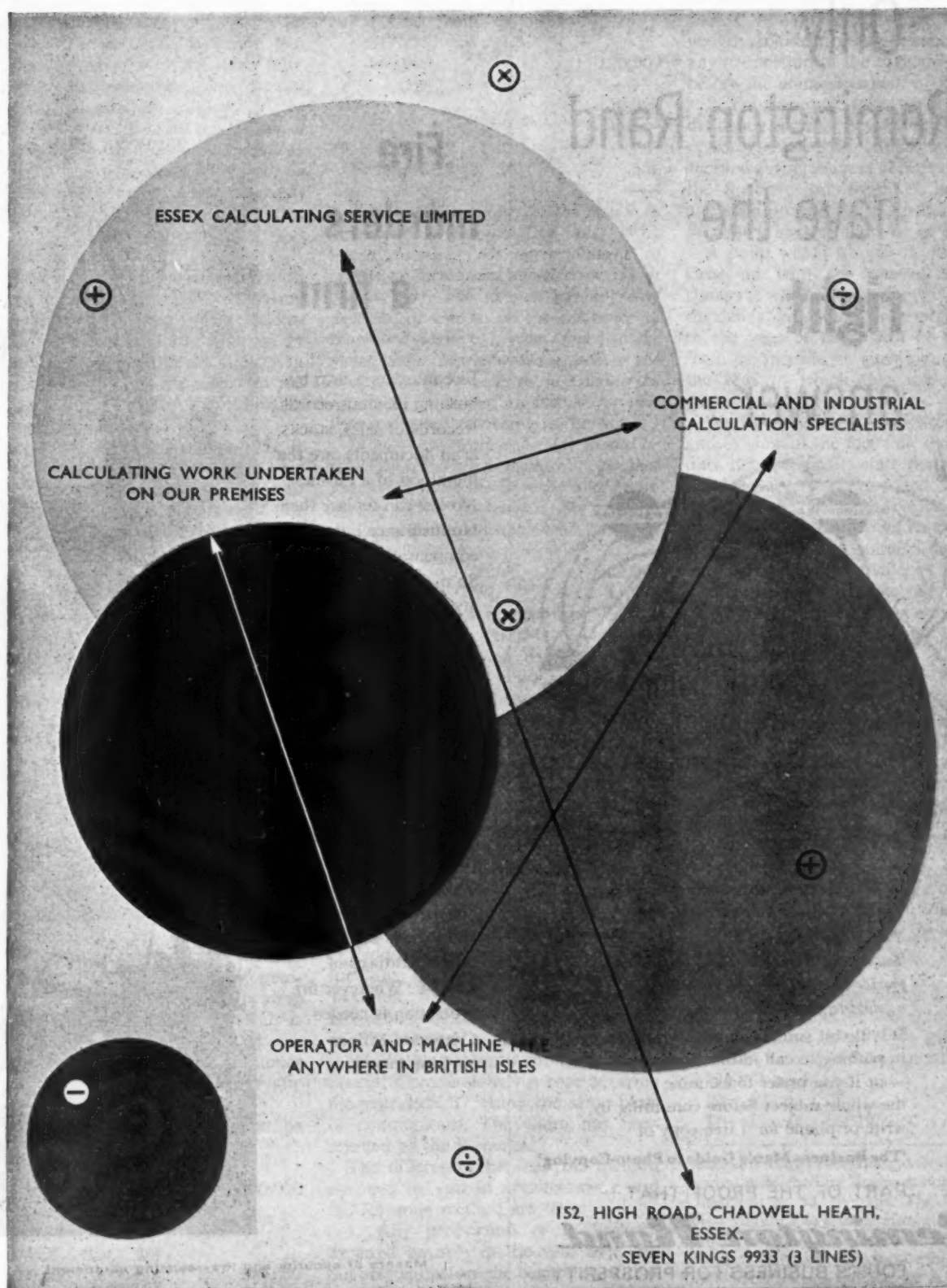
But the illustration overlooks the fact that on the transfer of the second part of the business to the company (on April 30, 1959) the provisions of Section 19 (1), Finance Act, 1953, would operate and, as a result, the "opening years"

rules would apply. The result can be seen if one assumes that the profit made by the second part of the business for the first accounting year from the transfer date (the year to April 30, 1960) amounts to £20,000. The assessments on the company on this part of the business only would be:

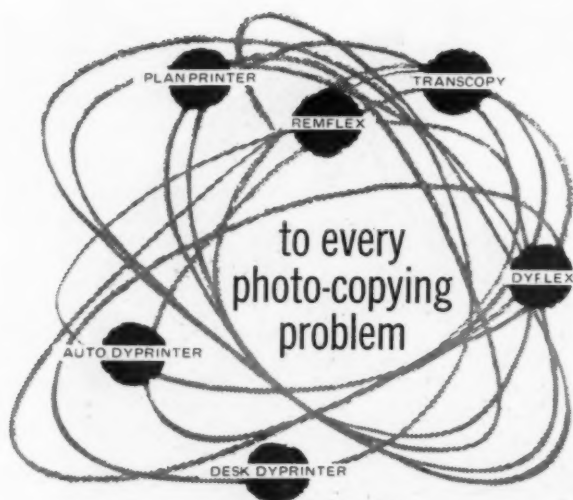
| | | £ |
|---------|-------------------|---------|
| 1959/60 | 11/12ths × 20,000 | 18,333 |
| 1960/61 | | 20,000 |
| 1961/62 | | 20,000 |
| | | <hr/> |
| | | £58,333 |

The profits are, therefore, doubly assessed to the extent of £38,333.

The illustration sets out to show that as a result of transferring the business to the company in two parts the total assessments are reduced from £88,000 on a "continuing" basis to £65,167, a saving of £22,833. However, double assessment of £38,333 has not been



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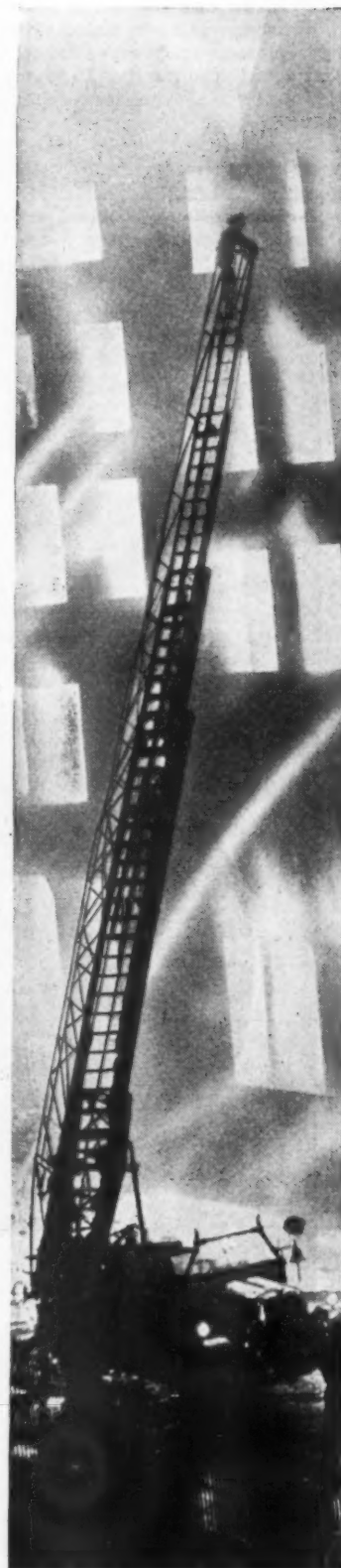
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taken into account in the illustration and the transfer to the company is, in fact, disadvantageous from an income tax point of view.

Reply.—The reader is assuming that the Revenue could insist on "new business" treatment when the second part of the business was taken over. If the transactions were properly carried out, it need not follow that the Revenue could so insist; the company could enlarge its existing business without being treated as having acquired another business.

Relief for Losses

Reader's Query.—I have studied with interest the query and answer appearing on page 540 of ACCOUNTANCY for October, 1958, under the above heading. In my opinion, however, the calculations in the query, which are supported in the reply, are incorrect for the following reasons.

Section 341, Income Tax Act, 1952, is headed "Right to have income for year of assessment adjusted by reference to losses." Sub-Section (1) provides for relief for any year of assessment by reference to the loss and the aggregate amount of income for that year estimated according to the Act. These provisions clearly refer to the actual loss suffered and to the statutory income of the year of assessment concerned and cannot, in my submission, be affected by any other factors.

I am, of course, aware that the Inland Revenue will contend for the interpretation set out in the query but this, I consider, should always be resisted. Nowhere in the Section is there any reference to a loss sustained in any particular year of assessment, and the underlying principle that relief is available on the amount of the loss sustained cannot be affected by the fact that, for the purposes of calculation, such loss has to be apportioned to two years of assessment. The usual practice of treating the accounting year as coinciding with the fiscal year in which it ends is solely one of convenience, and the application of the correct basis under Section 341 gives no grounds for any artificial restriction of relief.

The computation should, I suggest, be as follows:

| | |
|------------------------------------|---------|
| 1957/58 | |
| Profit. Year to 31/7/56 .. | £60,000 |
| Less: Section 341 relief | |
| Period from 1/8/57 to | |
| 5/4/58. Say, $2\frac{1}{3} \times$ | |
| £60,000 | £40,000 |
| | <hr/> |
| | £20,000 |
| | <hr/> |

| | |
|-------------------------------------|---------|
| 1958/59 | |
| Profit. Year to 31/7/57 .. | £30,000 |
| Less: Section 341 relief | |
| Period from 6/4/58 to | |
| 31/7/58. Say, $1\frac{1}{3} \times$ | |
| £60,000 | £20,000 |
| | <hr/> |
| | £10,000 |
| | <hr/> |

| | |
|-------------------------|-------|
| 1959/60 | |
| Year to 31/7/58 | NIL |
| | <hr/> |

Reply.—We would refer the reader to Section 155, Income Tax Act, 1952, which discusses the apportionment of profits or losses and sub-Section (3) of Section 341. The amount of the relief depends, of course, on the relevance of those two Sections having regard to the meaning the courts would attach to the words "by reference to the loss and to the aggregate amount of his income for that year estimated according to the Act."

In our view Section 341 (1) should be read "by reference to the loss . . . for that year." We think the Revenue would have the support of the courts. The reader's argument seems untenable and could lead to absurdities, thus:

| | |
|-----------------------------|--------|
| Profit, year to 31/12/56 .. | £2,000 |
| year to 31/12/57 .. | £3,000 |
| Loss per accounts made up | |
| three months to 31/3/58 .. | £2,000 |

The reader would contend that a Section 341 claim could be made on £2,000 in 1957/58. Presumably he would then expect an assessment on £3,000 in 1958/59. The loss could not be taken into account in computing any future assessments (Section 341 (5)).

There is nothing artificial in the Revenue's interpretation save in so far as the Scott Adamson principle is applied to Section 341, but Section 155 appears to require it.

Surtax and Cum-Dividend Purchases

Reader's Query.—In ACCOUNTANCY for July, 1957 (page 306), there was a Taxation Note on Surtax and Cum-Dividend Purchases, giving an example of the method used to compute the relief. We have recently submitted to the Special Commissioners a case covering the year 1956/57, using the same basis of computation. The claim has been rejected by the Revenue.

The differences between the method outlined by you in ACCOUNTANCY and the Revenue method are that:

1. Any proportion of a dividend declared payable in the year of claim but accrued before the beginning of that year is considered by you to be related back to the actual year of accrual (normally the previous year) whereas

the Commissioners state that there is no question of making any adjustment, notional or actual, for the previous year. It would seem, however, that they would exclude from the year of claim any proportion of the dividend accrued before the commencement of the year.

2. Your example takes no account of dividends declared payable after the end of the year of claim which have partly accrued during the year of claim, whereas the Special Commissioners hold that any such proportion of dividends must be related back to the year of claim.

A point which we will in due course clear up with the Special Commissioners is whether any proportion of the dividends mentioned above related back to the year of claim will be excluded from the income for surtax purposes of the year in which they are declared payable.

We have carefully read Section 239 and in view of the fact that the Section does not specifically state that the only dividends to be apportioned are those declared payable in the year of claim, it is considered that it would be difficult to resist the Special Commissioners' contention that all dividends accrued during the year of claim, whether declared payable in that year or afterwards, should be brought into the computation.

Reply.—For simplicity no indication was given in the illustration of any further dividends received on the investments. We agree that should further dividends be received in later years but applicable to the year of assessment for which the claim is being made, they should be included in computing the relief for the year of the claim.

It is interesting to note that the Revenue is prepared to ignore a year of assessment after or including the date of acquisition but not the year for which the claim is being made.

Initial Allowances for Motor Lorry

The last two lines of the query in our February issue (page 99), giving the Inspector's computation, should read:

| | |
|-----------------------------------|------|
| 1960/61 on £615 | £123 |
| 1961/62 on £51 | £10 |
| The allowance for 1959/60 is nil. | |

Automatic Data Processing is a new monthly journal published by Business Publications Limited at 3s. 6d. an issue. The first issue is for March. The journal aims at providing articles, written simply and mainly in non-technical language, on successful installations, management training for A.D.P., the basic principles of design and programming, new thinking on computers and recent developments in the computer industry.

The Student's Columns

INFANTS AND ACCUMULATED INCOME

IT IS ALL too easy to be confused about the various provisions of the Income Tax Acts as they affect an individual under the age of twenty-one (referred to below as the "child"). A person attains his majority on the day before his twenty-first birthday (*In re Shurey*, 1918, 1 Ch. 263).

It may help if it is stated at the outset of this article that a gift by anybody at all other than a parent of the child is effective for tax purposes, so long as there is no agreement of any kind that the subject matter of the gift is to be provided by a parent of the child. A step-child, adopted child or illegitimate child is included in the word child for these purposes. A grandparent or any other person except a parent can therefore effectively enter into a deed of covenant to pay an annual or other periodical sum to the child or to trustees for it—but to be effective for tax purposes the covenant must be for a period which can exceed six years. Likewise, any person (grandparent or other relation or a stranger) can give money or property to or in trust for a child.

There exists only one way in which a parent can give property to a child so as to be effective for income tax purposes—that way is by settling the property irrevocably in trust to accumulate the income during the child's minority. Even then, if any of the income or capital is applied for the child's benefit before he attains the age of twenty-one, an equivalent amount (i.e. grossed up) will be regarded as the parent's income for surtax purposes. Unless the settlement comes within the accumulation rule mentioned, the income is deemed to be that of the parent for tax purposes until the child reaches his majority or marries under that age.

In all cases, it is only for tax that any gift is inoperative; it is effective otherwise.

Any person may leave either capital or income to a child by will and it may pass to a child on intestacy. The income then becomes that of the child for all purposes.

Where income of a child is treated as that of his parent, the parent is entitled to recover from the trustees any additional tax he has to pay and must account for any additional reliefs he receives.

Illustration

A parent settled £20,000 on accumulating trusts for the benefit

of his infant son. In 1958/59 he got the trustees to spend out of the trust income £230 in school fees for the child. The sum of £400 (the gross equivalent with tax at 8/6 in the £ of £230) will be treated as income of the parent. If as a result £130 is added to his surtax bill he can recover the £130 from the trustees.

Accumulations

The income accumulated under an accumulating trust reaches the child as capital on his coming of age, so that no surtax is payable on it. If his right to the property (whether under a will or a settlement) is contingent on his reaching a certain age or marrying and the income has to be accumulated in the meantime, although the income reaches him as capital he can nevertheless claim repayment of income tax on personal allowances as if it had been his income year by year. This feature is an unusual one.

If during his infancy the trustees had paid out of the income money on his education and maintenance, then (provided the settlement was not made by the parent—see above) the gross amount of the payments would be his income year by year and repayments in respect of allowances could be made then. These repayments should be made promptly, since the usual six years time limit applies to them, but the claim for allowances against accumulations can be made within six years from the end of the year in which the child attained his majority. The right to allowance against accumulated income is restricted to the case mentioned—accumulations contingently on attaining a specified age or marrying. If there are other conditions, the right does not apply.

Illustration

D died on April 15, 1957, leaving half his estate in trust for his infant son contingently on his attaining the age of twenty-one or marrying under that age, the income to accumulate, subject to maintenance and education, in the meantime. The income of the half share for the period to April 5, 1958, was £207 (net) and for the year to April 5, 1959, £437 (net). The amounts spent on the child's maintenance and education were £161 and £276 respectively. The son had no other income.

The trustees could claim:

| | 1957/58 | 1958/59 | | £ | £ s. d. | | £ s. d. |
|---|---------|-------------|-----------------|---------|-----------------|------------------|--------------|
| | £ | £ | At 2s. 3d. | 60 | 6 15 0 | At reduced rates | 360 93 0 0 |
| Gross equivalent of amount spent on maintenance and education | 280 | 480 | 4s. 9d. | 150 | 35 12 6 | | |
| | | | 6s. 9d. | 10 | 3 7 6 | At 8s. 6d. | 260 110 10 0 |
| Small income relief £ 2/9ths | 63 | | | | 45 15 0 | | 203 10 0 |
| Personal relief | 140 | | | | | | |
| | 203 | 140 | Margin | 360 | | | |
| | 77 | 340 | | 60 | | | |
| | | | Small Income | 300 | | | |
| At 2s. 3d. | 60 | 60 | Relief | £ | | | |
| 4s. 9d. | 17 | 150 | 2/9ths | 67 | | | |
| 6s. 9d. | - | 130 | Personal | 140 | | | |
| | | | | 207 | | | |
| | 10 15 9 | 86 5 0 | | 93 | | | |
| £280 at 8/6 | 119 0 0 | £480 at 8/6 | At 2s. 3d. | 60 | 6 15 0 | | |
| | | | 4s. 9d. | 33 | 7 16 9 | | |
| Tax repayable | 108 4 3 | 117 15 0 | 9s. 0d. | 60 | 27 0 0 | | |
| | | | | | 41 11 9 | | |
| When the son comes of age, he will be able to claim for the two years in question as follows: | | | £360 at 8s. 6d. | 153 0 0 | £760 at 8s. 6d. | 323 0 0 | |
| 1957/58 | | 1958/59 | | | | | |
| £ | | £ | | | | | |
| Trust income gross | 360 | 760 | | 111 8 3 | | 119 10 0 | |
| Personal relief | 140 | 140 | Paid on account | 108 4 3 | | 117 15 0 | |
| | 220 | 620 | | 3 4 0 | | 1 15 0 | |

CAPITAL GEARING

WHENEVER THE EFFECTS of future profit fluctuations on equity capital are being assessed by or on behalf of an actual or potential investor or in connection with a possible takeover, capital gearing can be of particular significance. Moreover, when dividends on equity capital are published at rates which appear high, the ratio of capital gearing must be kept in mind, otherwise misleading conclusions are likely to be drawn.

A normal gearing may be illustrated thus:

| | |
|---|----------|
| 50,000 7 per cent. Preference shares of £1 each, fully paid | £ 50,000 |
| 50,000 Ordinary shares of £1 each, fully paid | 50,000 |
| Issued and paid-up Capital | £100,000 |

Dividends of 7 per cent., 10 per cent. and 12 per cent. on

the issued capital produce the following gross distributions:

| | £ | Per-centage | £ | Per-centage | £ | Per-centage |
|----------------------|--------|-------------|---------|-------------|---------|-------------|
| Preference dividends | 3,500 | 7 | 3,500 | 7 | 3,500 | 7 |
| Ordinary dividends | 3,500 | 7 | 6,500 | 13 | 8,500 | 17 |
| | £7,000 | 7 | £10,000 | 10 | £12,000 | 12 |

By contrast take an example of a high ratio gearing:

| | |
|--|-----------|
| 100,000 7 per cent. Preference shares of £1 each, fully paid | £ 100,000 |
| 80,000 Ordinary shares of 6d. each, fully paid | 2,000 |
| Issued and paid-up capital | 102,000 |

If the distribution is 7 per cent. on the issued capital the Ordinary shareholders will again receive 7 per cent. on their holding. But if, as in the former example, distributions of 10 per cent. and 12 per cent. of the issued capital are made, the equity dividends will be 160 per cent. and 262 per cent.:

| | £ | Percentage | £ | Percentage |
|----------------------|----------------|------------|----------------|------------|
| Preference dividends | 7,000 | 7 | 7,000 | 7 |
| Ordinary dividends | 3,200 | 160 | 5,240 | 262 |
| | <u>£10,200</u> | <u>10</u> | <u>£12,240</u> | <u>12</u> |

The dividend of 160 per cent. or 262 per cent. may be pointed to by the uninformed as indicating an exorbitant distribution of profits. But the knowledgeable person will rightly point out that while the dividend is 262 per cent. on the equity, it is only 12 per cent. on the issued capital.

In the wider sense funds subscribed by debenture-holders constitute part of the capital employed by a company, although such investors have no status as members. If debentures carrying a relatively low rate of interest stand in front of a proportionately small amount of equity capital (whether or not there exist Preference shares) the effect of a high gearing is the same as already illustrated. Take a company with a paid-up capital of £100 and 5 per cent. debentures in issue amounting to £50,000, giving an effective "capital" of £50,100. A distribution of 6 per cent. on £50,100 gives a dividend in excess of five hundred per cent. on the equity.

Sensitivity to Profit Fluctuations

Thus, the most evident effect of a high capital gearing, but not (as we shall see later) the only effect, is that the equity capital is acutely affected by profit fluctuations. The incidence of profit on equity capital can be likened to pressure upon the acceleration of a car. With a gear ratio that is high, there is a lively response to the slightest touch upon the pedal. Conversely, with a low gearing, the accelerator requires considerable pressure to achieve any worthwhile result in the matter of speed.

There the analogy ends. The gears of a car can be changed while driving, to meet constantly altering conditions. Capital gearing can be changed only rarely—hence the need for careful consideration in devising the original capital structure of a company.

Just as dividends on equity capital in a highly-g geared capital structure are acutely sensitive to any increase in distributed profits, so conversely any diminution of net revenue entails a disproportionate shrinkage of equity dividends, which can in fact at an early stage in the downward curve of profits be wiped out altogether.

It is sometimes suggested that companies engaged in luxury trades rather than staple industries are more appropriate to a highly-g geared capital structure. Experience does not show the suggestion to have merit. In general, it may be said that the equity of a company with

a reasonable prospect of earning steady profits which are likely to increase gradually may derive most benefit from high gearing of its capital.

Capital Values

Share prices are normally influenced more by dividend experience than by any other single factor. It is accordingly not unusual for Ordinary shares forming part of a highly-g geared capital structure to command a market value considerably out of relation to the present prosperity of the company.

Such equity capital frequently also enjoys substantial security by way of assets cover, further enhancing its market value. Reserves, both capital and revenue, belong to the equity shareholders and when equity capital is small in relation to priority capital (and possibly to debentures also) it is quite likely that reserves are also much in excess of the equity capital. In an extreme instance the Ordinary shares may be covered hundreds of times over by net assets and if, due to inflation, the real value of the fixed assets exceeds their book value the capital cover is even larger.

Income Cover and Control

It is estimated that during the last decade, when the conditions have been inflationary, less than one-third of company profits has found its way into the pockets of shareholders in the form of dividends. In those companies in which even a substantial rate of equity dividend (reckoned on the nominal equity) absorbs only a comparatively modest sum, undistributed profit may easily give the equityholders a big cover for their dividends.

Voting powers in a company are normally confined to the holders of the Ordinary shares. Preference shareholders are normally entitled to vote on the happening of any event that detrimentally affects their interests and in such an eventuality the influence of such priority members is likely to be more effective if they substantially outnumber equity shareholders. Little valid criticism is therefore likely to be forthcoming from Preference shareholders on the subject of the franchise in a company with a highly-g geared capital structure.

Whereas Preference shares bear their due share of income tax, the burden of profits tax falls upon equityholders—even after the abolition last year of the differential between distributed and retained profits. It is not suggested that this state of things is necessarily inequitable; but the point is that a small amount of equity capital ranking behind a substantial volume of priority shares bears the full impact of the ten per cent. profits tax. To this extent the attractions of highly-g geared equity shares are somewhat diminished.

When capital is highly-g geared, so that the risk capital enjoys prospects of substantial income returns and commensurate capital appreciation, it is customary to issue the shares at a low nominal value—sixpence and a shilling being common denominations. The low denomination obviates inconvenient "heaviness" in the market price. A sixpenny share may be quoted at, say, £5 but

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TAX PLANNING With Precedents

Considerable changes in the law since publication of the second edition of *Tax Planning* have made a new edition essential. The Finance Acts of 1957 and 1958 made great changes in the law relating to estate duty on gifts made within five years of death and the income tax and surtax payable in respect of settled funds. Account must also be taken of the effects of the Variation of Trusts Act, 1958.

The opportunity has been taken to revise the text, discard material no longer required and add fresh material. Many precedents have been remodelled; four have disappeared altogether; and seven new ones have been introduced, bringing the total to fifty. There are a large number of alterations and additions to the text in the new edition, which is in every way an improvement even on the last.

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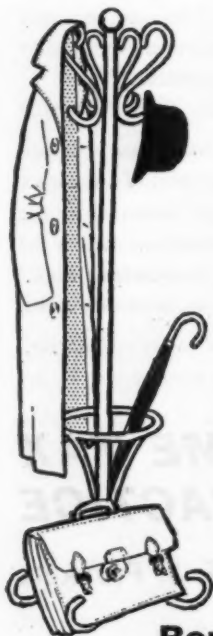
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Reconstruction

If shares have been standing at an inordinately high price in relation to their nominal value there will quite probably come a time when the company is reconstructed and the nominal value of the equity shares is brought into closer relationship to current values. Thus, sixpenny Ordinary shares, standing on the market at £5, may each be exchanged for five Ordinary shares of £1 each. The occasion for such a reconstruction may be a public issue

of capital, made necessary by an expansion of operations that outstrips capital resources. The reconstruction enables holders of Ordinary shares to realise their valuable holdings more easily.

It may therefore be said that when a highly-g geared capitalisation results in the equity achieving the most sanguine hopes of appreciation in market values, there is a tendency for this type of structure to be replaced by a more balanced gearing. Several large and successful companies whose names are household words today have gone through this process. It would seem that there is an indefinable point beyond which a highly-g geared capital structure breaks down.

The Institute of Chartered Accountants in England and Wales

Meetings of the Council

AT SPECIAL AND ordinary meetings of the Council held on Wednesday, March 4, 1959, at the Hall of the Institute, Moorgate Place, London, E.C.2, there were present: Mr. W. L. Barrows, President, in the chair; Mr. C. U. Peat, M.C., Vice-President; Mr. E. Baldry, O.B.E., Mr. C. Percy Barrowcliff, Mr. T. A. Hamilton Baynes, Mr. J. H. Bell, Mr. H. A. Benson, C.B.E., Mr. P. F. Carpenter, Sir William Carrington, Mr. G. T. E. Chamberlain, Mr. D. A. Clarke, Mr. J. Clayton, Mr. C. Croxton-Smith, Mr. W. G. Densem, Mr. S. Dixon, Mr. W. W. Fea, Mr. J. Godfrey, Mr. G. G. G. Goult, Mr. P. F. Granger, Mr. L. C. Hawkins, Mr. J. S. Heaton, Mr. D. V. House, Sir Harold Howitt, G.B.E., D.S.O., M.C., Mr. P. D. Irons, Mr. H. O. Johnson, Mr. W. H. Lawson, C.B.E., Mr. H. L. Layton, Mr. R. B. Leech, M.B.E., Mr. R. McNeil, Mr. J. H. Mann, M.B.E., Mr. W. E. Parker, C.B.E., Mr. S. J. Pears, Mr. F. E. Price, Mr. P. V. Roberts, Mr. L. W. Robson, Sir Thomas Robson, M.B.E., Mr. G. F. Saunders, Mr. K. G. Shuttleworth, Mr. C. M. Strachan, O.B.E., Mr. J. E. Talbot, Mr. A. D. Walker, Mr. A. H. Walton, Mr. V. Walton, Mr. M. Wheatley Jones, Mr. J. C. Montgomery Williams, Mr. R. P. Winter, C.B.E., M.C., Sir Richard Yeabsley, C.B.E., with the Assistant Secretaries.

Welcome to a New Member

The President welcomed Mr. A. H. Walton, F.C.A., who was attending for the first time as a member of the Council.

Presentation of Prizes

In presenting prizes and certificates to those candidates who were able to attend the meeting of the Council the President said:

As President it is my pleasure and privilege to welcome you on behalf of the Council and to extend to you our congratulations on the honours which you have obtained in the recent Institute and Society examinations.

In the Final Mr. M. Marsh of London was first and obtained most of the prizes, and the remarkable thing is that his twin brother obtained fourth place. A wonderful achievement for the family.

Those of you who have succeeded in the Intermediate examination still have to surmount the formidable hurdle of the Final; your success will enable you to approach the Final with confidence and I hope that some of you will be here again at the conclusion of your articles.

Those who have passed the Final examination have still much to learn. You have done very well so far, but never be satisfied with yourselves. The work of the profession

is exacting but rewarding, though we must never cease to learn if we are to give effective service to the public.

I urge you to take an active interest in the work of the Institute and avail yourselves, whenever the opportunity arises, of serving your fellow members by taking part in the activities of the District Societies, Students' Societies and other Institute Committees.

The future is in the hands of you young people and others like you. Wonderful opportunities are available for service to the public and to your chosen profession. Seize these opportunities and do all that lies within your power to maintain and enhance the reputation the Chartered Accountant has gained since our Charter was granted seventy-eight years ago.

Let me exhort you to dedicate yourselves to such pursuits as may at once enable you to be respectable in life, useful to mankind and an ornament to the profession.

Whatever stage you have reached you take with you the best wishes of all the members of the Council of the Institute and on their behalf I extend to you again their heartiest congratulations upon your achievements: I wish you the very best of luck in the future. (*Applause.*)

INSTITUTE EXAMINATIONS FINAL

First Certificate of Merit, the Institute Prize, the W. B. Peat Medal and Prize, the William Quiller Prize, the O. C. Railton Prize for the year 1958 and the Plender Prizes for the papers

on Taxation, Auditing, English Law (Part I) and English Law (Part II)

- M. Marsh (S. Blackburn), London
Second Certificate of Merit and the Walter Knox Scholarship (shared with one other)
 N. A. Joseph (G. Sorene), London
Second Certificate of Merit and the Walter Knox Scholarship (shared with one other)
 T. C. Moss (A. A. Beardsall), Grimsby
Fifth Certificate of Merit
 B. A. Hellings (J. M. Horsley), Falmouth
Seventh Certificate of Merit
 T. G. Preedy (S. Edgcumbe), Plymouth
Eighth Certificate of Merit
 N. Taylor (A. L. L. Glendinning), Newcastle upon Tyne
Eleventh Certificate of Merit
 M. A. Pointer (R. W. Barrow), London
Plender Prize for the Paper on Advanced Accounting (Part I)
 M. G. Lyon (J. C. MacGregor), Liverpool

INTERMEDIATE

- Second Certificate of Merit and the Frederick Whinney Prize*
 F. G. Browning (C. N. Smellie), London
Third Certificate of Merit, the Stephens Prize and the Plender Prize for the Paper on Taxation and Cost Accounting
 D. J. Gordon (R. Mallabar), London
Fourth Certificate of Merit and the Tom Walton Prize
 I. B. Richards (N. W. Newman), London
Fifth Certificate of Merit and the Flight-Lieutenant Dudley Hewitt, D.F.C., Prize
 K. W. Miller (D. W. Kilsby), London
Sixth Certificate of Merit
 P. S. Thring (D. C. Burling), London
Seventh Certificate of Merit
 R. G. Mathews (H. F. Mathews), London
Eighth Certificate of Merit and the Plender Prize for the Paper on Book-keeping and Accounts (Partnership)
 J. C. Aggarwal (A. J. Hebblethwaite), London
Tenth Certificate of Merit and the Plender Prize for the Paper on General Commercial Knowledge
 H. J. Collis (P. Lynn), London
Eleventh Certificate of Merit
 B. J. Arthur (L. H. Norman), London
Thirteenth Certificate of Merit and the Plender Prize for the paper on Book-keeping and Accounts (Executorship)
 K. J. Alexandre (W. G. Allen), London
Fifteenth Certificate of Merit
 J. K. Shepherd (G. B. Mairs), Nottingham
Seventeenth Certificate of Merit
 D. E. Midgley (E. J. Rogers), London
Twentieth Certificate of Merit
 J. Richardson (V. F. Brown), London
 M. C. Roberts (F. D. M. Lowry), Liverpool
Twenty-third Certificate of Merit
 R. N. Basu, Calcutta
 W. Bates (F. S. Bentley), Nottingham
Twenty-fifth Certificate of Merit
 K. G. Clark (C. W. Bellamy), London
 L. R. Dingle (B. W. Vincent), London
 G. A. Maxwell (K. G. M. Harding), Liverpool

SOCIETY EXAMINATIONS

The following Honours Certificates were awarded:

FINAL

P. Foreman, Blackburn

INTERMEDIATE

J. R. Brakell, Wallington
 J. E. Dastur, Bombay
 D. H. Lewis, Coventry
 G. Perkins, Nottingham

Facilities for Members and Students in Scotland

The Council recorded its thanks to the

Council of the Institute of Chartered Accountants of Scotland for providing certain facilities for members of the Institute and ex-Society students who are resident in Scotland. The Scottish Institute has decided:

(i) that ex-Society students be permitted to attend the Scottish Institute's tuition classes on the normal individual fee paying basis;

(ii) to recommend to the Chartered Accountants Students' Societies in Edinburgh, Glasgow and Aberdeen that they alter their constitutions so that it will be possible for all members and students of the Institute resident in Scotland to become eligible to join one or other of the students' societies on the normal individual fee paying basis;

(iii) that members of the Institute resident in Scotland be eligible to join the Scottish Institute's various discussion groups operating in the local area in which they are resident;

(iv) that members and students of the Institute resident in Scotland be permitted to make use of the Scottish Institute's libraries in Edinburgh, Glasgow and Aberdeen but not of the postal borrowing facilities from the library in Glasgow;

(v) that those incorporated accountant members of the Institute who were members of the Society's group scheme with the Scottish Nuffield Provident Society be eligible to join the Scottish Institute's group scheme with that society.

Auditors' Report under the Companies Act, 1948

In the booklet on the Companies Act originally issued in May, 1948, and now reproduced, as revised, in Section O 2 of the *Members' Handbook*, the Council set out a form of auditors' report (with additions applicable to group accounts) which was considered by Counsel to comply with Section 162 and the Ninth Schedule to the Act.

Enquiries received from members make it desirable for the Council to state that this approval of a particular form by Counsel in 1948 does not preclude the use of other forms. The Council wishes to make it clear that each member may use his own judgment (with the aid of legal advice if he thinks fit) in deciding upon the wording of his report in compliance with the Companies Act.

Appointment to Committee

Mr. A. H. Walton was appointed to serve on the Applications Committee.

Registration of Articles

The Secretary reported the registration of 253 articles of clerkship during the last month, the total number since January 1, 1959, being 453.

Admissions to Membership

The following were admitted to membership of the Institute:

- ABBOTT, JOHN DAVID; A.C.A., 1959; 8 Hawthorn Way, Macclesfield, Cheshire.
 ACKLAND, THOMAS FRANCIS; A.S.A.A., 1959; 34 Arlington Road, Southgate, London, N.14.
 ADAMS, ALAN EDWARD; A.C.A., 1959; 24 York Gardens, Clifton, Bristol, 8.
 ADAMS, (Mrs.) EDITH RACHEL; A.C.A., 1959; 1A Manorgate Road, Kingston upon Thames, Surrey.
 ADAMS, GRAHAM; A.C.A., 1959; 96 King Street, Newcastle, Staffs.
 ADAMS, RICHARD; A.C.A., 1959; 59 St. Guthlac Street, Hereford.
 ADBY, DAVID; A.C.A., 1959; 10 Milton Close, Canterbury.
 ADCOCK, OLIVER JOHN WILLAMOT; A.C.A., 1959; Golden Arrow, Mount Nebo, Taunton, Somerset.
 ALEXANDER, JOHN MARTIN; A.C.A., 1959; 9 Ainsdale Road, Ealing, London, W.5.
 ALLAN, ROY MACLAREN; A.C.A., 1959; 24A Alexandra Road, Southport.
 ALLCOCK, DONALD ALEC; A.C.A., 1959; 25 Manor Way, Crewe, Cheshire.
 ALTON, BRIAN WALTER BARNETT; A.C.A., 1959; 61 Knighton Road, Leicester.
 AMERY, ROBERT HENRY; A.C.A., 1959; 27 Grafton Drive, Upton, Wirral, Cheshire.
 ANDERSON, GILBERT MAGNUS; A.C.A., 1959; 40 Darrick Wood Road, Orpington, Kent.
 ANDERSON-MORSEHEAD, RUPERT JOHN DUKE; A.C.A., 1959; "Whiteriggs," Inval, Haslemere, Surrey.
 ANGERS, BRIAN MASON; A.C.A., 1959; 10 Brooklands Avenue, off Sharoe Green Lane (North), Fulwood, Preston.
 ANNING, ALBERT JOHN; A.C.A., 1959; 2 St. Leonards Terrace, Colyton, Devon.
 ARCHER, JOHN BRIAN; A.C.A., 1959; 1 Ingleside Mansions, Saltburn-by-the-Sea, North Yorkshire.
 ARMITAGE, BRIAN; A.C.A., 1959; 45 St. Anne's Terrace, Baildon, Shipley, Yorkshire.
 ARMSTRONG, DAVID GERALD; A.C.A., 1959; 86 Pinner View, Harrow, Middlesex.
 ARMSTRONG, ERIC ROLAND; A.C.A., 1959; 124 Fairbank Road, Toller Lane, Bradford.
 ARMSTRONG, GEOFFREY DENNIS; A.C.A., 1959; Newfield Grange, Kingstown, Carlisle.
 ASHBY, GEOFFREY FRANK; A.C.A., 1959; 50 Vaughan Gardens, Ilford, Essex.
 ASHLEY, PETER ARTHUR; A.C.A., 1959; 219 Church Hill Road, North Cheam, Surrey.
 ASHWORTH, ROLAND; A.C.A., 1959; 23 Park Road, Waterfoot, Rossendale, Lancs.
 ASPIN, FRANK; A.C.A., 1959; 143 Hollins Road, Oldham, Lancs.
 ATKINSON, GEOFFREY DAYOT, B.A.; A.C.A., 1959; Flat 2, 32 Arthur Road, Wimbledon, London, S.W.19.
 AYRES, JOHN ANTONY; A.C.A., 1959; "Horleycroft," Horley Lodge Lane, Salfords, Surrey.
 AYSOUGH, JONATHAN; A.C.A., 1959; "Ashwood," Montreal Road, Riverhead, Kent.
 BAILEY, ALBERT MAURICE; A.C.A., 1959; 4 Boulton Terrace, Shiny Row, Houghton-le-Spring, Co. Durham.
 BAILEY, TIMOTHY; A.C.A., 1959; 36 Caledon Road, Sherwood, Nottingham.
 BAILY, CYRIL RAYMOND; A.C.A., 1959; 50 Durlay Road, Liverpool, 9.
 BAKER, ANTHONY DAVID; A.C.A., 1959; with Thomson McLintock & Co., 5 St. Philip's Place, Birmingham, 3.
 BAKER, WILLIAM; A.C.A., 1959; 139 Hinderton Road, Birkenhead, Cheshire.
 BALLANTYNE, ROBERT LEIGH; A.C.A., 1959; 174 Moor Lane, Crosby, Liverpool, 23.
 BALLARD, BRIAN IVAN; A.C.A., 1959; "Monksfield," Quarr Road, Binstead, Isle of Wight.

Hollerith *plus* Powers-Samas *plus*

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On 30th January, International Computers and Tabulators Limited (I·C·T for short) became Britain's largest manufacturer and distributor of data-processing machinery.

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They 'framed' me into making a speech

... but the laugh was on them when I held them spellbound!

So I was scheduled to play the clown, eh? It was with mixed feelings of anger and amusement that I listened to Hanley's gleeful explanation of his scheme through the half-open door of the private office.

"It's bound to come off," he explained to his listeners. "I'll tell the Boss that Burton has some ideas about the new advertising campaign. He doesn't know about this conference. And when the Boss calls him in, watch him stutter and swallow his tongue. He's afraid of his own voice."

If this had happened three months ago, I would have stayed away from the office that day. Three months previously, I had been just the type that Hanley had me labelled. A good conscientious worker—handicapped by an inferiority complex whenever a business superior spoke to me, I was bashful, nervous and timid when called on to speak at length to a group of men. And I soon realized that my inability to speak effectively and persuasively was limiting my future and causing people to class me as an incompetent.

Learned to Banish Self-consciousness

And then something happened. Reading through my favourite magazine, I read about and sent for a wonderful little free booklet entitled *How To Work Wonders With Words*. It explained an amazingly simple home study training method by which any man could banish nervousness and self-consciousness. It revealed the simple Laws of Conversation—the knowledge and practice of which would make the most shy and retiring man a dominating and aggressive speaker—able to convince one man or an audience of thousands.

Within a few days I had begun this secret practice. So fascinating was it that weeks flew by like hours. I began to feel more confidence in myself. And finally came the day when I realized that my shy, retiring nature had vanished and that I was ready to speak in public any time. Now for the opportunity! And here it was—I'd show Mr. Hanley something!

Jeers turned to applause

To say they were dumbfounded is putting it mildly. When I was called in to address that conference, I just bowled them over. I did have some ideas on that new campaign—and succeeded in upsetting the whole year's programme. And when I finally brought my speech to a close with a startling, inspiring and convincing climax, I sat down amid a thunder-clap of enthusiastic applause. My case proves that it pays to be ready for Opportunity. Shortly afterwards the company



created a new job for me—Sales Director, at double my old salary. And my reputation as a convincing speaker and interesting conversationalist has spread to the extent that I am often the principal speaker at civic banquets—and a much invited guest at dinner and social functions. Yes—the best investment I ever made was when I sent for that wonderful free booklet *How To Work Wonders With Words*—and the investment was only a 3d. stamp.

There is no magic, no trick, no mystery about becoming a powerful and convincing talker. You, too, can conquer timidity, stage fright, self-consciousness and bashfulness, winning advancement in salary, popularity, social standing and success.

Send for this amazing book

This new method of training is fully described in a very interesting and informative booklet which is now being sent to everyone posting the coupon. This booklet is called *How To Work Wonders With Words*. In it you are shown how to conquer stage fright, self-consciousness, timidity, bashfulness and fear—those things that keep you silent while men of lesser ability get what they want by the sheer power of convincing speech. Not only men who have made big money but thousands have sent for this booklet—and are unstinting in their praise of it. You are told how to bring out and develop your priceless 'hidden knack'—and the natural gift within you—which can win for you advancement in position and salary, popularity, social standing, power and real success. You can obtain your copy absolutely free by sending the coupon, and 3d. stamp for postage.

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How to talk before your club or lodge
How to propose and respond to toasts
How to address board meetings
How to make a political speech
How to make after-dinner speeches
How to converse interestingly
How to write letters
How to sell more goods
How to train your memory
How to enlarge your vocabulary
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How to acquire a winning personality
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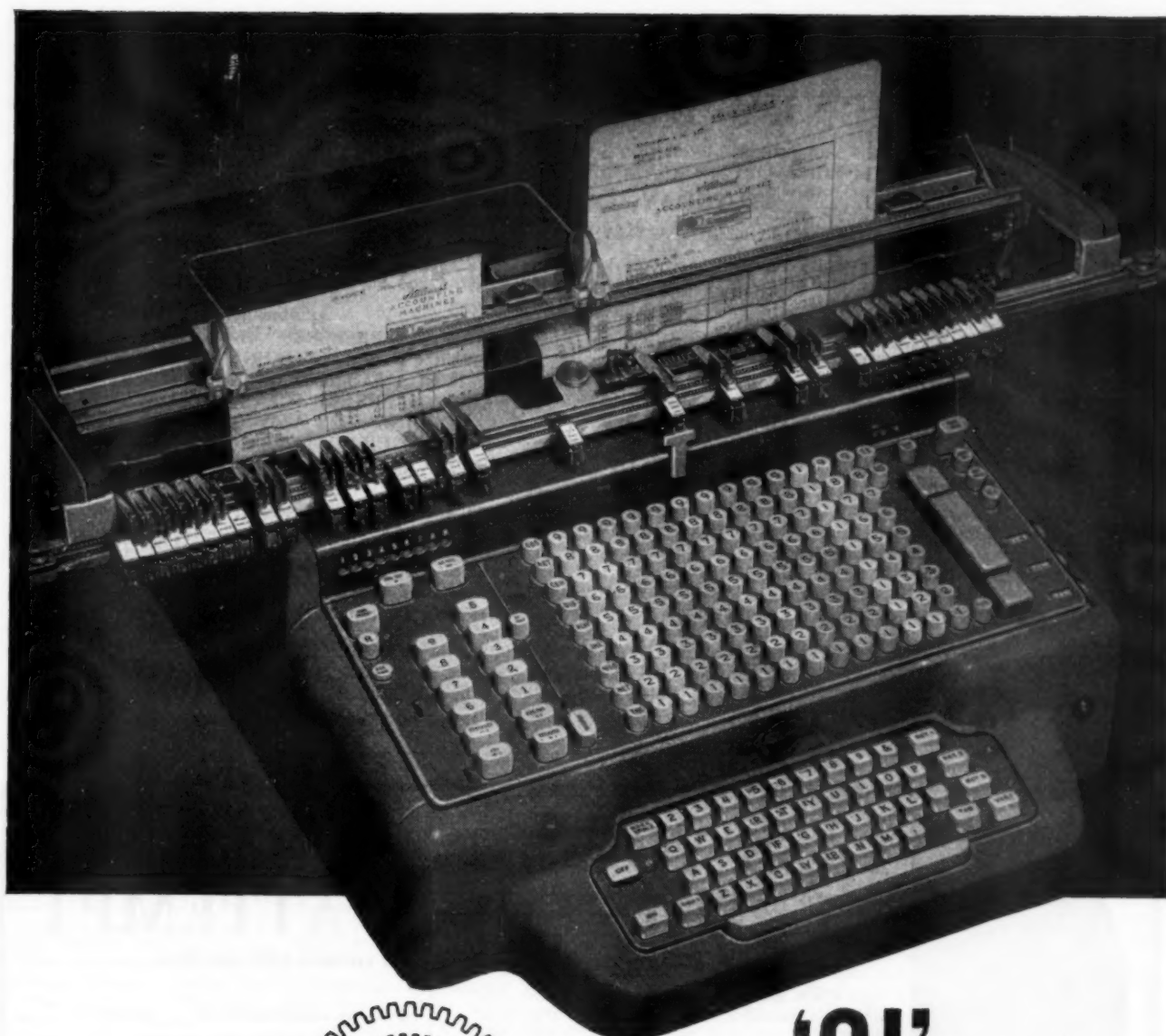
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- BANKS, GARTH NIGEL JOHN; A.C.A., 1959; 75 Kingston Hill, Kingston, Surrey.
- BANKS, PATRICK BRIAN JAMES; A.C.A., 1959; 26 Albion Park, Loughton, Essex.
- BARGH, BRIAN; A.C.A., 1959; 190 Station Road, Brimington, Chesterfield.
- BARNES, WILLIAM; A.C.A., 1959; 20 Cross Way, Petts Wood, Kent.
- BARNES, RICHARD DONALD; A.C.A., 1959; The Little Thatch, Roundabouts, Pulborough, Sussex.
- BARRACLOUGH, ROGER, B.COM.; A.C.A., 1959; 52 Leach Green Lane, Rubery, Birmingham.
- BARRATT, PETER WILLIAM; A.C.A., 1959; "Old Warke," Walkden Road, Worsley, Lancashire.
- BARRETT, ARTHUR ROBIN; A.C.A., 1959; 693 Chester Road, Erdington, Birmingham, 23.
- BARTER, TIMOTHY MICHAEL; A.C.A., 1959; Broadstone, Greenway, Frinton-on-Sea, Essex.
- BASDEN-SMITH, HUGH PHILIP; A.C.A., 1959; Church Cottage, Grappenhall, Warrington.
- BAULK, ROGER EDWARD; A.C.A., 1959; 9 Chaddesley Road, Kidderminster, Worcs.
- BAXTER, ALAN; A.C.A., 1959; 20 Connie Street, Openshaw, Manchester, 11.
- BAYLISS, WILLIAM; A.C.A., 1959; 263 The Ridgway, Erdington, Birmingham, 23.
- BAYNHAM, HAYDN THOMAS; A.C.A., 1959; 54 Caerphilly Road, Gabalfa, Cardiff.
- BEAUMONT, FRED; A.C.A., 1959; 177 Cobden Street, Blackley, Manchester, 9.
- BECK, KENNETH, B.A.(ECON.); A.C.A., 1959; 8 The Oval, Bradford, 8.
- BEDDOES, EDWARD; A.C.A., 1959; 35 Broad Street, Pensnett, Brierley Hill, Staffs.
- BEELEY, ANTHONY FRANCIS MYCROFT; A.C.A., 1959; 64 Kensington Mansions, London, S.W.5.
- BEETHAM, PHILIP JAMES; A.C.A., 1959; 11 Park Drive, Littleover, Derby.
- BELTON, HUGH FRANCIS; A.C.A., 1959; 39 Blake Hall Road, Wanstead, London, E.11.
- BENNETT, BRIAN EDWARD FREDERICK; A.C.A., 1959; 17 Chiltern Hills Road, Beaconsfield, Bucks.
- BENNETT, DOUGLAS WILLIAM WARBURTON; A.C.A., 1959; 14 Kings Road, Walton-on-Thames, Surrey.
- BENNETT, GRAHAM CYRIL; A.C.A., 1959; 4 Penylan Terrace, Penylan, Cardiff.
- BENNEWITH, JOHN WILLIAM; A.C.A., 1959; 85 Cannonbury Avenue, Pinner, Middlesex.
- BENTLEY, JOHN DAVID GREER; A.C.A., 1959; 41 Minehead Street, Leicester.
- BERGER, MICHAEL KENNETH; A.C.A., 1959; 28 Sussex Lodge, Sussex Place, London, W.2.
- BERNARD, PETER ANTHONY; A.C.A., 1959; 69 Claygate Lane, Esher, Surrey.
- BERRY, BRIAN FRANK; A.C.A., 1959; 3 North Road, Horndean, near Portsmouth.
- BIGGIN, PETER CHARLES; A.C.A., 1959; 183 Finney Lane, Heald Green, Cheadle, Cheshire.
- BIRCH, MICHAEL JAMES; A.C.A., 1959; 176 Clarendon Road, Hyde, Cheshire.
- BIRD, PETER CHARLES JOHN; A.C.A., 1959; "The Stores Bungalow," Middleton, Tamworth, Staffs.
- BIRD, ARTHUR WILLIAM; A.C.A., 1959; 9 Percy Terrace, Berwick-on-Tweed.
- BIRDSALL, MALCOLM BARRETT; A.C.A., 1959; 28 Benton Park Road, Newcastle upon Tyne, 7.
- BLACK, BRIAN WILLOUGHBY; A.C.A., 1959; 43 Mapperley Road, Mapperley Park, Nottingham.
- BLACK, EON HAMILTON; A.C.A., 1959; "Dunure," Daresbury, near Warrington.
- BLACK, FRANCIS ROKEBY; A.C.A., 1959; 16 Brunswick Gardens, London, W.8.
- BLACKBORN, BRYAN GEORGE; A.C.A., 1959; 4 Heath Rise, Kersfield Road, Putney, London, S.W.15.
- BLAKE, JAMES PETER; A.C.A., 1959; 63 Ainderby Road, Romanby, Northallerton, Yorkshire.
- BLEAZARD, KEITH; A.C.A., 1959; 6 Kenwyn Avenue, Marton, Blackpool.
- BLECH, NEVILLE FRANKLIN; A.C.A., 1959; 4 Fleming Court, St. Mary's Terrace, London, W.2.
- BLINKHORN, ALAN; A.C.A., 1959; 13 St. Aubins Road, Haulgh, Bolton.
- BLOSS, PATRICK DONALD; A.C.A., 1959; 268 Raeburn Avenue, Surbiton, Surrey.
- BLOYE, RONALD BRIAN; A.C.A., 1959; 13 Lady Margaret Road, Kentish Town, London, N.W.5.
- BLUMSOM, JOHN DAVID; A.C.A., 1959; 6 Orley Court, Greenford Road, Harrow, Middlesex.
- BODINETZ, LIONEL WALTER; A.C.A., 1959; 75A Hampton Road, Forest Gate, London, E.7.
- BODKIN, RAYMOND; A.C.A., 1959; Flat 16, Greystone Buildings, South Street, Eastbourne.
- BOOTH, ARTHUR THOMAS; A.C.A., 1959; "Ingle Nook," Dinting Road, Glossop, Derbyshire.
- BOOTH, HAROLD, M.A.; A.C.A., 1959; 29 Pilkington Road, Southport.
- BOULOS, ALBERT, B.A.(ECON.); A.C.A., 1959; with Joshua Wortley & Sons, 8 Paradise Square, Sheffield, 1.
- BOWDEN, KENNETH GORDON; A.C.A., 1959; 11 Alexandra Terrace, South Molton, Devon.
- BOWERS, KENNETH JOHN; A.C.A., 1959; 8 Chase Side Avenue, Merton Park, London, S.W.20.
- BOWKETT, REGINALD JOHN; A.C.A., 1959; The Stone Farm, Stoke Prior, near Leominster, Herefordshire.
- BRADFORD, PHILIP TAYLOR; A.C.A., 1959; 66 Bradgate Lane, Rotherham, Yorks.
- BRADLEY, PETER ALWYN; A.C.A., 1959; 112 Upminster Road, Hornchurch, Essex.
- BRADMAN, EDWARD ANTHONY; A.C.A., 1959; 14 Rundell Crescent, Hendon, London, N.W.4.
- BRADSHAW, JOHN KEITH; A.C.A., 1959; 102 Frant Road, Thornton Heath, Surrey.
- BRADSHAW, RAYMOND JOHN; A.C.A., 1959; 33 Oakwell Avenue, Leeds, 8.
- BRAMALL, DOUGLAS CHARLES ANTHONY; A.C.A., 1959; "Glenbrook," Bamford, near Sheffield.
- BRAMWELL, DEREK; A.C.A., 1959; 5 Railway Terrace, Seascale, Cumberland.
- BRANCH, REGINALD FREDERICK JOHN; A.C.A., 1959; 690 Field End Road, South Ruislip, Middx.
- BRAY, DAVID; A.C.A., 1959; 16 Norfolk Avenue, Watford.
- BRENNAN, JAMES DENNIS; A.C.A., 1959; 10 Coniston Grove, St. Helens, Lancs.
- BRIERLEY, DAVID ROGER; A.C.A., 1959; 15 Waterloo Road, Bramhall, Cheshire.
- BRIGGS, DAVID RAINFORD, B.A.; A.C.A., 1959; "Newlands," Park Hill Road, Hale, Cheshire.
- BRIGHOUSE, JOHN BARRIE; A.C.A., 1959; 18 Stanhope Street, Stanton-by-Dale, Ilkeston, Derbyshire.
- BRIGHT, CHRISTOPHER FRANCIS; A.C.A., 1959; 46 St. Paul's Road, Luton.
- BRIMLOW, ALAN, B.A.; A.C.A., 1959; 15 Corfton Road, Ealing, London, W.5.
- BRITTON, DAVID ROGERS; A.C.A., 1959; 60 Abbeydale Park Rise, Totley Rise, Sheffield.
- BROCKHOUSE, MAURICE WILLIAM, B.SC.(ECON.); A.C.A., 1959; 97 St. Pauls Road, Smethwick, 41, Staffs.
- BROOKE, JOHN RICHARD; B.A., A.C.A., 1959; 18 Clun Road, Northfield, Birmingham, 31.
- BROWN, CLAUDE BROWNLIE, A.C.A., 1959; 8 Woodfield Road, Blackpool.
- BROWN, FRED; A.C.A., 1959; 4A Warwick St., Heaton, Newcastle upon Tyne, 6.
- BROWN, ROBERT ALFRED GEORGE; A.C.A., 1959; 477 Winchester Road, Bassett, Southampton.
- BROWN, WILLIAM ROYLES; A.C.A., 1959; 3 Williton Road, Childwall, Liverpool, 16.
- BROWNHILL, JOHN ROGER; A.C.A., 1959; 25 Priory Close, Dudley.
- BROWNING, ROBERT JOHN; A.C.A., 1959; 10 Bourne Close, Broxbourne, Herts.
- BRYANT, DAVID WALTER; A.C.A., 1959; 12 Park View Gardens, Grays, Essex.
- BRYCE, NEVILLE MAURICE; A.C.A., 1959; 21 Seaburn Gardens, Seaburn, Sunderland.
- BULL, MALCOLM DAVID, B.A.; A.C.A., 1959; 4 Arundel Drive, Bramcote, Notts.
- BURCHILL, KENNETH PETER; A.C.A., 1959; 36 High St., Staple Hill, Bristol.
- BURGES, ROBIN EDWARD; A.C.A., 1959; 93 Bearton Road, Hitchin, Herts.
- BURGESS, DAVID CLIVE; A.C.A., 1959; 92 Belmont Rise, Belmont, Sutton, Surrey.
- BURGESS, RICHARD TREVOR; A.C.A., 1959; 87 Parkanaur Avenue, Thorpe Bay, Essex.
- BURLEY, ANTHONY JOHN; A.C.A., 1959; 147 Clayhall Avenue, Ilford, Essex.
- BURNLEY, CHRISTOPHER JOHN; A.C.A., 1959; 94 Liverpool Road, Upton, Wirral, Cheshire.
- BURROWS, RONALD; A.C.A., 1959; 35 Beechwood Road, Caterham, Surrey.
- CALDER, DESMOND JAMES; A.C.A., 1959; 11 Southwell Gardens, Kensington, London, S.W.7.
- CALVERT LEE, EDMUND PAUL, M.A.; A.C.A., 1959; 3 The Avenue, Bickley, Bromley, Kent.
- CAMPBELL, JOHN CHRISTOPHER FRANK, B.A.; A.C.A., 1959; 47 Arkwright Road, Hampstead, London, N.W.3.
- CAMPBELL, ROBERT ANDREW BORLAND, B.COM.; A.C.A., 1959; 47A Woodford Road, Bramhall, Cheshire.
- CARNEY, MICHAEL; A.C.A., 1959; 22 Westoe Drive, South Shields, Co. Durham.
- CARPENTER, JAMES JOHN; A.C.A., 1959; 1 Templar Road, Homerton, London, E.9.
- CARR, FRANK; A.C.A., 1959; 54 Parmontley Street, Scotswood, Newcastle upon Tyne, 5.
- CARRUTHERS, WILLIAM DOUGLAS; A.C.A., 1959; 553 Old Chester Road, Rock Ferry, Birkenhead.
- CASHMORE, GEOFFREY HAROLD; A.C.A., 1959; 108 Brancaster Lane, Purley, Surrey.
- CASSON, GEORGE RONALD LOUNT; A.C.A., 1959; 136 Laura Grove, Preston, Paignton, Devon.
- CATO, GEORGE; A.C.A., 1959; 122 Peters Court, Porchester Road, London, W.2.
- CATTERALL, ALAN STEWART; A.C.A., 1959; 6 Gordon Street, Sutton-in-Craven, near Keighley, Yorks.
- CHALKLEY, REGINALD HARRISON; A.C.A., 1959; 5 Halmer Gate, Spalding, Lincs.
- CHANNON, GORDON ANTHONY; A.C.A., 1959; 33 Dunsford Road, St. Thomas, Exeter, Devon.
- CHEYNE, JOHN DAVID; A.C.A., 1959; 90 Ossulton Way, East Finchley, London, N.2.
- CHRISTIE, JOSEPH; A.C.A., 1959; 53 Woodside Road, Beaumont Park, Huddersfield.
- CHRISTY, NORMAN DAVID; A.C.A., 1959; 112 Blake Road, Bounds Green, London, N.11.
- CLARET, JACOB; A.C.A., 1959; Woodend House, Roundwood Lane, Harpenden, Herts.
- CLARKE, JOHN NEIL, LL.B.; A.C.A., 1959; 4 Homesdale Road, Bromley, Kent.
- CLARKSON, ALAN MALCOLM; A.C.A., 1959; 44 Hunters Way, Dringhouses, York.

- CLARKSON, PETER BRUCE ARCHIBALD; A.C.A., 1959; with Kemp Chatteris & Co., St. Swithin's House, 37 Walbrook, London, E.C.4.
- CLINE, PHILIP, B.A.(ECON.); A.C.A., 1959; 170 Cardiff Road, Llandaff, Cardiff.
- COCKERILL, LESLIE; A.C.A., 1959; 33 Southcoates Lane, Hull.
- COGGINS, HERBERT HENRY JAMES; A.C.A., 1959; Flat 3, 13 Aspley Road, Wandsworth, London, S.W.18.
- COLE, ROBERT ALAN; A.C.A., 1959; 132 South Park Road, Wimbledon, London, S.W.19.
- COLLEY, JAMES EDWARD; A.C.A., 1959; The Little Cottage, East Lavant, Chichester, Sussex.
- COLLINS, IAN ROGER; A.C.A., 1959; 169 Southey Hall Road, Sheffield, 5.
- CONTRACTOR, KHUSROO KAIKOBAD, B.S.C.(ECON.); A.C.A., 1959; with Thornton & Thornton, Union Chambers, 63 Temple Row, Birmingham, 2.
- COOK, JAMES MITCHELL; A.C.A., 1959; 11 Honister Drive, Sunderland.
- COOK, KENNETH GEORGE THOMAS; A.C.A., 1959; 24 Ennismore Avenue, Guildford, Surrey.
- COPE, BRIAN REGINALD; A.C.A., 1959; 199 Halesowen Road, Old Hill, Staffs.
- COPE, JEREMY VICTOR; A.C.A., 1959; 55 Church Road, Dover, Kent.
- COPLEY, ANTHONY NEVILLE; A.C.A., 1959; 173 Bradway Road, Bradway, Sheffield.
- COPPELMAN, HAROLD; A.C.A., 1959; 18 Clifton Gardens, South Tottenham, London, N.15.
- COTTON, JOHN BURROWS; A.C.A., 1959; 8 Dell Close, Wallington, Surrey.
- COULTER, DAVID JOHN; A.C.A., 1959; 21 Ashburton Avenue, Oxtou, Birkenhead.
- COULTER, JOHN DAVID; A.C.A., 1959; 40 Blossomfield Road, Solihull, Warwickshire.
- COVENTRY, EDWARD REGINALD; A.C.A., 1959; 40 Cecil Road, Waltham Cross, Herts.
- CROFTS, BARRIE HUGH; A.C.A., 1959; 45 Teesdale Road, Sherwood, Nottingham.
- CROSBY, PETER; A.C.A., 1959; 40 Green Hill Drive, Bramley, Leeds, 13.
- CROWE, JOHN; A.C.A., 1959; 5 King Edward Road, Heaton, Newcastle upon Tyne, 6.
- CROWE, REGINALD MICHAEL; A.C.A., 1959; 145 Nevill Road, Stoke Newington, London, N.16.
- CROWTHER, RONALD PETER MORRISON; A.C.A., 1959; 132 Fielding Road, Bedford Park, London, W.4.
- CUBITT, CECIL CHARLES; A.C.A., 1959; "The Shrubbery," Strumpshaw Road, Brundall, near Norwich.
- CUMMINS, WILLIAM RADLEY; A.C.A., 1959; 29 Harvey Road, Worthing, Sussex.
- CUNNINGTON, JAMES PHILIP; A.C.A., 1959; 40 Conery Lane, Enderby, Leicester.
- CURRIE, GORDON ANDREW STUART; A.C.A., 1959; 127 The Avenue, Alwoodley, Leeds, 17.
- CUSHION, GRAHAM JOHN; A.C.A., 1959; 29 Adeyfield Road, Hemel Hempstead, Herts.
- CUTLER, JOHN DAVID; A.C.A., 1959; 44 Nab Wood Crescent, Shipley, Yorkshire.
- d'AGAPEYEFF, ALEXANDER; A.C.A., 1959; with Hays, Akers & Hays, 30 Cursitor Street, Chancery Lane, London, E.C.4.
- DALWOOD, KEITH LIONEL, B.S.C.(ECON.); A.C.A., 1959; 21 The Orchard, Winchmore Hill, London, N.21.
- §DANIELS, FREDERICK WILLIAM WALL, O.B.E.; A.S.A.A., 1959; 2 Patterdale Gardens, High Heaton, Newcastle upon Tyne, 7.
- DARLINGTON, HERBERT TERRILL; A.C.A., 1959; 26 Glamis Road, Newquay, Cornwall.
- DAUDJEE, HATIMALI TAYABALI; A.C.A., 1959; 34 Thurleigh Court, Nightingale Lane, London, S.W.12.
- DAVIS, BARRY PETER; A.C.A., 1959; 62 Downage, Hendon, London, N.W.4.
- DAVIES, DAVID MALDWIN; A.C.A., 1959; 270 Malden Way, New Malden, Surrey.
- DAVIES, DAVID MORRIS, B.A.; A.C.A., 1959; 31 Queen's Road, Aberystwyth.
- DAVIES, NORMAN HAROLD; A.C.A., 1959; 2 Curtis Street, Neath, Glam.
- DAVISON, JOHN BARRY, B.S.C.; A.C.A., 1959; 14 Braces Lane, Marlbrook, Bromsgrove, Worcs.
- DAWBORN, RICHARD MYLES; A.C.A., 1959; "Brooklyn," Ifield, Crawley, Sussex.
- DAWE, GEORGE HENRY; A.C.A., 1959; 15 Aquila Drive, Heddon Village Estate, Heddon on the Wall, Northumberland.
- DAWSON, JOHN BERNARD; A.C.A., 1959; 71 Clumber Road, Poynton, Cheshire.
- DAWSON, PETER FREDERICK; A.C.A., 1959; 16 Orchard Avenue, Thames Ditton, Surrey.
- DAWSON, SHEILA (MISS); A.C.A., 1959; 243 Richmond Road, Sheffield, 13.
- DEAL, ALAN ROBERT; A.C.A., 1959; 47 Thornhill Road, Surbiton, Surrey.
- DELDERFIELD, GORDON BASIL; A.C.A., 1959; 57 Pentney Road, Balham, London, S.W.12.
- DELLA-PORTA, GERALD BARRY; A.C.A., 1959; 27 Southernhay Road, Leicester.
- DHAWAN, KUSHAL; A.C.A., 1959; with Alfred Harris & Trotter, Suite 1, 120 Wigmore Street, London, W.1.
- DICKINSON, ALAN GEOFFREY; A.C.A., 1959; 314 Havant Road, Drayton, Portsmouth.
- DOCWRA, DAVID HUBERT; A.C.A., 1959; Assistant Accountant, Montague Burton Ltd., Hudson Road Mills, Leeds, 9.
- DODD, ALAN; A.C.A., 1959; with Cassleton Elliott & Co., P.O. Box 266, Takoradi, Ghana.
- DODMAN, KEITH VICTOR; A.C.A., 1959; "Forest Hill," Vyner Road South, Bidston, Birkenhead, Cheshire.
- DODWELL, PAUL EDWARD; A.C.A., 1959; 48 Sutherland Avenue, Orpington, Kent.
- DOHERTY, HAROLD IAN, B.A.(ECON.); A.C.A., 1959; "Oak Trees," Cockfosters Road, Hadley Wood, Herts.
- DOLEMAN, JOHN FRANCIS; A.C.A., 1959; 12 Knighton Grange Road, Leicester.
- DONOHUE, NICHOLAS HENRY; A.C.A., 1959; 125 Liverpool Road, Penwortham, Preston.
- DOVEY, GEORGE TREVOR IUAN; A.C.A., 1959; Birch Grove, Dunwood, Romsey, Hants.
- DOYLE, THOMAS EDWARD; A.C.A., 1959; 52 Glastonbury Road, Stretford, Manchester.
- DRURY, JOHN VICTOR; A.C.A., 1959; 14A Abbey Road, St. Johns Wood, London, N.W.8.
- §DRY, DAVID JAN; A.S.A.A., 1959; 15 Torwood Road, Forest Town, Johannesburg, S. Africa.
- DUNCAN, ALEXANDER STUART; A.C.A., 1959; "Stronvar," Chestnut Avenue, Chorleywood, Herts.
- DUNCAN, MALCOLM IAN, B.COM.; A.C.A., 1959; 58 Douglas Avenue, Oakhill, Stoke-on-Trent.
- §EDWARDS, BRIAN; A.S.A.A., 1959; 24 Allenby Road, Swinton, Manchester.
- EDWARDS, RAYMOND GEORGE; A.C.A., 1959; 88 Ridley Road, Forest Gate, London, E.7.
- EGAN, TERENCE MICHAEL; A.C.A., 1959; 11 Trevoe House, Orsett St., London, S.E.11.
- EL CHEIKH, EZZAT; A.C.A., 1959; 34 Bahgat Ali Street, Zamalik, Cairo, Egypt.
- ELDER, ROBERT BRUCE; A.C.A., 1959; 9 Bromleigh Drive, Stoke, Coventry.
- EL-ENBABI, MOHAMED SALEM; A.C.A., 1959; 2 El-Kamel Mohamed St., Flat 36, Zamalik, Cairo, Egypt.
- ELLISON, JOHN FREDERICK; A.C.A., 1959; 65 Foley Street, Hereford.
- ELPHICK, DAVID JOHN; A.C.A., 1959; 18 Salisbury Road, Seven Kings, Ilford, Essex.
- ENG, SUNWEE ERNEST; A.C.A., 1959; 15 Grendon Gardens, Wembley Park, Middx.
- ETHELL, DONALD; A.C.A., 1959; 30 Macbeth Road, Fleetwood, Lancs.
- EVANS, JOHN DANIEL; A.C.A., 1959; 28 Ponsford Road, Minehead, Somerset.
- EVANS, JOHN GODFREY; A.C.A., 1959; 31 Ilkeston Road, Heanor, Derbyshire.
- EVERY, CYRIL TREVOR; A.C.A., 1959; 46 Blenheim Terrace, St. John's Wood, London, N.W.8.
- EYNON, DOUGLAS; A.C.A., 1959; with Peat, Marwick, Mitchell & Co., 7 Coniscliffe Road, Darlington, Co. Durham.
- FARLEY, JOHN MARTIN; A.C.A., 1959; 23 The Avenue, Clayton, Bradford, Yorks.
- FARQUHARSON, DEREK MCBAIN; A.C.A., 1959; 43 Wotton Road, London, N.W.2.
- FATAKIA, ASPIY NARIMAN; A.C.A., 1959; 20 Firs Avenue, London, N.10.
- FINLAY, ALAN NEILSON; A.C.A., 1959; 11 Beechfield Road, Bromley, Kent.
- FISH, BRIAN; A.C.A., 1959; 59 Pinewood Green, Iwer Heath, Bucks.
- FISHER, DAVID EDWARD; A.C.A., 1959; Moor-dale, Silloth, Carlisle.
- FISHER, DAVID ROLAND; A.C.A., 1959; "Forest View," Colgate, Horsham, Sussex.
- FLORENCE, RONALD GEORGE; A.C.A., 1959; 119 Pyrford House, Loughborough Park, Brixton, London, S.W.9.
- FOOKS, JOHN ANTHONY, B.A.; A.C.A., 1959; Lon Twyn, Dinas Powis, Glamorgan.
- FOREMAN, PETER; A.C.A., 1959; 36 King Street, Whalley, near Blackburn.
- FORREST, DAVID; A.C.A., 1959; with W. D. Burlinson & Co., Wesley Chambers, Union Street, Dewsbury, Yorks.
- FOSTER, ERIC LANCELOT; A.C.A., 1959; 26 Brookleigh Road, Withington, Manchester, 20.
- FOSTER, GEOFFREY WILLIAM; A.C.A., 1959; South Burland, Bittadon, near Barnstaple, N. Devon.
- FOSTER, JOHN MALCOLM; A.C.A., 1959; 2 Capstone Avenue, Oxley, Wolverhampton.
- FOWLE, CHRISTOPHER JAMES; A.C.A., 1959; "Porth," Holly Bank Road, Hook Heath, Woking.
- FOWLER, (MISS) MURIEL CLARA ORCHARD; A.C.A., 1959; Heathfield School, Ascot, Berks.
- FOX, JOHN STALEY; A.C.A., 1959; 77 Dowhills Road, Blundellsands, Liverpool, 23.
- FOXWELL, MICHAEL JOHN; A.C.A., 1959; 4 Sparkbridge Road, Harrow, Middx.
- FRANCES, PAUL RICCARDO; A.C.A., 1959; 25 Marlborough Hill, Wealdstone, Harrow, Middx.
- FRANKLIN, JOHN KENNETH; A.C.A., 1959; 31 St. Philip's Road, Cambridge.
- FRASER, HENRY; A.C.A., 1959; 13 Lorne Gardens, Holland Park Avenue, London, W.11.
- FREEBOROUGH, CHRISTOPHER RUPERT; A.C.A., 1959; 10 Kelsey Way, Beckenham, Kent.
- §FREEMAN, KENNETH HORACE; A.S.A.A., 1959; 2 Arnold Yard, Arnold Road, Old Basford, Nottingham.
- FREEMAN, MICHAEL ASHER; A.C.A., 1959; 19 Waungton Road, Llandaff, Cardiff.
- GAINSFORD, ALAN NOEL; A.C.A., 1959; 11 Morley Road, Twickenham, Middx.
- GANLEY, WILLIAM BERNARD, B.A.(COM.); A.C.A., 1959; 27 Buck Street, Leigh, Lancs.
- GARDNER, DAVID WILLIAM LESLIE; A.C.A., 1959; 235 Chigwell Road, Woodford Green, Essex.

- GELLATLY, GEORGE RICHARD NEIL; A.C.A., 1959; 12 Hartington Road, Bramhall, Cheshire.
- GERRARD, JAMES MICHAEL; A.C.A., 1959; 133 Junction Road, Deane, Bolton.
- GHOSH, ASIT KUMAR; A.C.A., 1959; 7 Spencer Road, London, W.4.
- GIBBS, JOHN MICHAEL; A.C.A., 1959; 43, Beaufort Avenue, Ward End, Birmingham, 34.
- GIBSON, ROBIN THOMAS, B.A.(ECON.); A.C.A., 1959; 45 Fluin Lane, Frodsham, Cheshire.
- GILHAM, CLIVE; A.C.A., 1959; 70 Catford Hill, Catford, London, S.E.6.
- GILL, BRIAN HAYDN; A.C.A., 1959; 72 Acheson Road, Hall Green, Birmingham, 28.
- GILL, DEREK; A.C.A., 1959; 69 Basnett Street, Burnley, Lancs.
- GLADSTONE, CHRISTOPHER STEUART, B.A.; A.C.A., 1959; 52 Gloucester Place Mews, London, W.1.
- GLAYSHER, JOHN WILLIAM; A.C.A., 1959; 22 Wellington Road, Horsham, Sussex.
- GLOVER, RONALD ANTHONY; A.C.A., 1959; 173 Beeches Road, Great Barr, Birmingham, 22A.
- GOATE, CHRISTOPHER GEORGE CUBITT; A.C.A., 1959; The Lawn, Beauchamp Road, East Molesey, Surrey.
- GODFREY, (MISS) SUSAN MERIEL; A.C.A., 1959; Golden Nook Farm, Cuddington, Northwich, Cheshire.
- §GOLDBERG, MERVYN; A.S.A.A., 1959; 79 Northumberland Road, Kensington, Johannesburg, S. Africa.
- GOODALE, PETER THOMAS; A.C.A., 1959; 129 Newport Road, Manchester, 21.
- GOODMAN, ELLIS MARTIN; A.C.A., 1959; 12 Berkeley Court, Baker Street, London, N.W.1.
- GOODRUM, IAN WILLIAM; A.C.A., 1959; "Lyndene," Avenue Road, Ashby de la Zouch.
- GORDON, MICHAEL JOHN DAVID; A.C.A., 1959; 25 Stafford Court, Kensington, London, W.8.
- GOULD, ALAN; A.C.A., 1959; 8 Middleton Boulevard, Wollaton Park, Nottingham.
- GRANGER, MAURICE EDWARD; A.C.A., 1959; 45 Grange Road, Alvaston, Derby.
- GRAY, BRIAN CHARLES; A.C.A., 1959; 3 Talma Gardens, Twickenham, Middlesex.
- GRAY, IAIN HENDERSON, B.COM.; A.C.A., 1959; 51 Westfield Road, Leicester.
- GRAY, JOHN PHILIP; A.C.A., 1959; 93 Ely Road, Littleport, Cambs.
- GREEN, BERNARD RICHARD; A.C.A., 1959; 179 West End Road, Ruislip, Middx.
- GREEN, DAVID LOUIS BRIAN; A.C.A., 1959; 245 Haverstock Hill, Hampstead, London, N.W.3.
- GREEN, GEORGE WILLIAM; A.C.A., 1959; 27 Provident Street, Pelton Lane Ends, Chester-le-Street, Co. Durham.
- GRENIER, JOHN ALLAN; A.C.A., 1959; Outwood Vicarage, Redhill, Surrey.
- GREY, HOWARD GEORGE; A.C.A., 1959; 12 The Avenue, Hitchin, Herts.
- GRIFFIN, JOHN STANFORD, B.A.; A.C.A., 1959; "Larg," Old Bosham, West Sussex.
- GRIFFIN, LEONARD; A.C.A., 1959; Pound Cottage, Freckenham, Bury St. Edmunds, Suffolk.
- GRIFFIN, PETER; A.C.A., 1959; 2 Benson Avenue, Goldthorn Park, Wolverhampton.
- GRISTWOOD, BRIAN MICHAEL; A.C.A., 1959; 245 Addycombe Terrace, Heaton, Newcastle upon Tyne, 6.
- GROSE, DOUGLAS ANDREWS; A.C.A., 1959; Treffry, Tresillian, Truro.
- HAIDER, SAJJAD; A.C.A., 1959; c/o K. F. Haider, Qamar Court, 111 Clifton, Karachi, 6, Pakistan.
- HALE, MICHAEL ROBERT; A.C.A., 1959; Heron's Crest, Cross Lanes, Guildford, Surrey.
- HALL, ANTONY WILLIAM; A.C.A., 1959; 16 Cole Bank Road, Hall Green, Birmingham, 28.
- HALL, JOHN MICHAEL; A.C.A., 1959; 66 Silhill Hall Road, Solihull, Warwickshire.
- HAMAD, AHMED NABIL; A.C.A., 1959; with Wm. J. Jennings, Warner & Co., 75 New Street, Birmingham, 2.
- HAMBIDGE, DEREK CECIL, B.A.; A.C.A., 1959; Waterland Farm, Rowhook, near Horsham, Sussex.
- HANLEY, ANTHONY ROBERT, B.A.; A.C.A., 1959; 34 Bedford Street, Peterborough, Northants.
- HANNAH, DAVID MARSHALL; A.C.A., 1959; 36 Wellington Road, Eccles, Manchester.
- HARDCASTLE, BARRIE; A.C.A., 1959; 393 Gledhow Lane, Chapel Allerton, Leeds, 7.
- HARDYMAN, ALEXANDER STOTT; A.C.A., 1959; "Broomhurst," Whitcliffe Lane, Ripon, Yorks.
- HARGREAVES, PETER FRANGCON, B.A.; A.C.A., 1959; 13 The Broadway, South Shields, Co. Durham.
- HARRIS, ALFRED HENRY; A.C.A., 1959; 13 The Avenue, Kew Gardens, Richmond, Surrey.
- HARRISON, JOHN ANTHONY; A.C.A., 1959; "Tyne Villa," Eccleston, St. Helens, Lancs.
- HARRISON, JONATHAN JAMES HEWETSON, M.A.; A.C.A., 1959; Flat 7, 6 Charterhouse Sq., London, E.C.1.
- HARRISON, PETER ROBERT; A.C.A., 1959; 34 Cranleigh Drive, Cheadle, Cheshire.
- HARSANT, RAYMOND PETER; A.C.A., 1959; 52 Sandringham Gardens, London, N.12.
- HARWOOD, MARTIN JOHN; A.C.A., 1959; 81 Stoneleigh Avenue, Worcester Park, Surrey.
- HATTON, TERENCE PAIGE; A.C.A., 1959; "Wembdon," Lynhurst Avenue, Barnstaple, N. Devon.
- HAWTHORNE, CHARLES CLAYTON; A.C.A., 1959; 181 Upper Woodcote Road, Caversham, Reading.
- HEAP, (MISS) SUSAN ELISABETH; A.C.A., 1959; 9 Scott Park Road, Burnley.
- HELLINGS, BRIAN ALIOL; A.C.A., 1959; 54 Killigrew Street, Falmouth, Cornwall.
- HEWENS, JOHN DAVID; A.C.A., 1959; "Delft," Tadorne Road, Tadworth, Surrey.
- HEWITSON, RICHARD PALLISTER, B.Sc.; A.C.A., 1959; 4 Purcel Drive, Newport Pagnell, Bucks.
- HEWITT, CLIVE WILLIAM THOMAS; A.C.A., 1959; 32 Lower White Road, Quinton, Birmingham, 32.
- HIGGS, FREDERICK GEORGE; A.C.A., 1959; 29 Greywethers Avenue, Swindon.
- HILL, ARTHUR ROBIN IAN; A.C.A., 1959; Jordans, Ardingly, Sussex.
- HILL, DAVID LAYLAND; A.C.A., 1959; Ralborn House, Laund Road, Salendine Nook, Huddersfield.
- HILL, ROY THOMAS; A.C.A., 1959; 12 Out Risbygate, Bury St. Edmunds, Suffolk.
- HISCOCK, KENNETH BARRY; A.C.A., 1959; 28 Bucharest Road, Earlsfield, London, S.W.18.
- HOATH, DAVID FREDERICK; A.C.A., 1959; 61 Roberts Street, Eccles, near Manchester.
- HOBDAV, RICHARD OSWALD; A.C.A., 1959; 3 Homesdale Road, Bromley, Kent.
- HOBSON, ROBERT TERRY; A.C.A., 1959; 79 Ringstead Crescent, Sheffield, 10.
- HOCKLEY, RONALD WILLIAM; A.C.A., 1959; 8 Gold Street, Saffron Walden, Essex.
- HOGGETT, BRIAN FRANCIS; A.C.A., 1959; 239 Branch Road, Blackburn.
- HOLLINGS, TERENCE ERNEST; A.C.A., 1959; "Red Lion," Great Bowden, Market Harborough, Leicestershire.
- HOLTON, DAVID SIDNEY GEORGE; A.C.A., 1959; 51 The Avenue, Kennington, Oxford.
- HONEY, DEREK CHARLES; A.C.A., 1959; Higher Langage, Plympton, Plymouth, Devon.
- HOOKE, JOHN GODFREY; A.C.A., 1959; 23 St. Vincent Drive, St. Albans.
- HOPE, BRIAN; A.C.A., 1959; 289 Sprotborough Road, Doncaster.
- HOPKINS-HUSSON, ARTHUR MAURICE; A.C.A., 1959; 75 Kenley Road, Twickenham, Middx.
- HORDLE, JEFFREY GORDON; A.C.A., 1959; 119 Queensholm Crescent, Downend, Bristol.
- HORNSBY, RICHARD PETER ALAN; A.C.A., 1959; 41 St. Owen Street, Hereford.
- HORTON, BRYON THOMAS PATRICK; A.C.A., 1959; The Laurels, Church Lane, Blagdon, near Bristol.
- HOUGHTON, GEORGE ARTHUR; A.C.A., 1959; 73 Bosworth Road, South Yardley, Birmingham, 26.
- HOWARD, JOHN ARNOLD; A.C.A., 1959; 16 Hayfield Avenue, Poulton-le-Fylde, near Blackpool.
- HOWATT, JOHN HAMILTON; A.C.A., 1959; "Weetwood," Moorgate, Rotherham.
- HUBBARD, ALASTAIR MICHAEL, B.A.; A.C.A., 1959; The Coach House, Ivy Hatch, near Sevenoaks, Kent.
- HUDSON-DAVIES, BERT HUGH REINHARDT; A.C.A., 1959; "Inverleith," North Mossley Hill Road, Liverpool, 18.
- HUGHES, JAMES; A.C.A., 1959; 173 Exeter Road, Rayners Lane, Harrow, Middx.
- HUGHES, (MISS) MAY; A.C.A., 1959; 101 Sutton Court, London, W.4.
- HUGHES, MICHAEL GLYN; A.C.A., 1959; 20 Mendalgief Road, Newport, Mon.
- HUNTER, JOHN; A.C.A., 1959; 23 Three Kings Yard, Davies St., London, W.1.
- HURLEY, RAYMOND LEONARD; A.C.A., 1959; 18 Bournevale Road, Streatham, London, S.W.16.
- HUSSEY, FREDERICK JOSEPH; A.C.A., 1959; 64 Avenue Road, Belmont, Sutton, Surrey.
- HUTCHISON, DEREK; A.C.A., 1959; 90 Institute Road, Kings Heath, Birmingham, 14.
- HUTTON, THOMAS GRAHAM; A.C.A., 1959; 161 Sheffield Road, Woodhouse, Sheffield.
- HYDE, PETER JAMES; A.C.A., 1959; 133 Woodcot Avenue, Baildon, Shipley, Yorks.
- INGLE, JOHN DAVID; A.C.A., 1959; Flat 2, 762 Christchurch Road, Boscombe, Hants.
- IRESON, GERALD OAKLEY; A.C.A., 1959; "Willowdale," Burley Lane, Menston, Ilkley.
- IRVIN, BRIAN; A.C.A., 1959; 51 St. Nicholas Avenue, Hessle High Road, Hull.
- ISBELL, CLIVE ROBERT; A.C.A., 1959; 72 Harrow Drive, Hornchurch, Essex.
- JACKSON, GEORGE HAROLD; A.C.A., 1959; Solway House, Middlewich Road, Sandbach, Cheshire.
- JAMES, BRYAN; A.C.A., 1959; 30 Walton Park, Walton-on-Thames, Surrey.
- JAMES, DAVID POWELL RANDALL; A.C.A., 1959; "Bargate," Little Tangle, Womersley, near Guildford, Surrey.
- JANNEY, PETER RICHARD; A.C.A., 1959; 132 Sutton Road, Erdington, Birmingham, 23.
- JENKINS, STANLEY ROBERT; A.C.A., 1959; 80 Colombo Road, Ilford, Essex.
- JEWSBURY, DAVID; A.C.A., 1959; 1675 Melton Road, Rearsby, Leicestershire.
- JEWSBURY, RAYMOND; A.C.A., 1959; 44 Buckingham St., Heaviley, Stockport.
- JOHNS, PHILIP SHANE; A.C.A., 1959; 5 Old Well House, The Grove, Highgate Village, London, N.6.
- JOHNSON, JAMES RICHARD; A.C.A., 1959; 41

- Cloverdale Gardens, Newcastle upon Tyne, 7.
- JOHNSON, WALTER SOMMERVILLE; A.C.A., 1959; 63 Track Road, Batley, Yorkshire
- JONES, ALAN STANLEY, A.C.A., 1959; 8 Winchester Avenue, Brislington, Bristol, 4.
- JONES, BARRY CAVE; A.C.A., 1959; "Overseas," South Cliff, Bexhill-on-Sea, Sussex.
- JONES, GARRY BRAME; A.C.A., 1959; 2 Love Lane, Pinner, Middx.
- §JONES, IVOR LLOYD; A.S.A.A., 1959; "Maesteg," St. Catherine's Drive, Old Colwyn, Colwyn Bay.
- JONES, KENNETH MAELOR; A.C.A., 1959; 88 Rudyard Road, Knotty Ash, Liverpool, 14.
- JONES, STEPHEN WILFRED HUBERT; A.C.A., 1959; 155 Gower Road, Sketty, Swansea.
- JONES, THOMAS; A.C.A., 1959; 23 Oakshade Road, Bromley, Kent.
- JOSEPH, NEVILLE ANTHONY; A.C.A., 1959; 24 Beresford Avenue, Twickenham, Middx.
- JOYNES, BARRY; A.C.A., 1959; 211 Stainbeck Road, Leeds, 7.
- JUSTICE, ALAN FREDERICK; A.C.A., 1959; 13 Oakholme Rise, Worksop, Notts.
- KANAS, PHILIP ELLIS; A.C.A., 1959; 14 Castle Hill Road, Prestwich, Lancs.
- KAPLIN, ALAN VERNON; A.C.A., 1959; 15 Chagford House, Devons Road, Bow, London, E.3.
- KEELER, BRIAN ROBERT; A.C.A., 1959; The Flat, Roseacres, High Road, Thornwood, Epping, Essex.
- KEIGHLEY, LAURENCE; A.C.A., 1959; with Charles E. Dolby & Son, 11 Dale St., Liverpool, 2.
- KELSEY, BRIAN; A.C.A., 1959; 89 Fairfield Drive, Dorking, Surrey.
- KEMP, EDWARD PETER; A.C.A., 1959; 58 Carlton Hill, London, N.W.8.
- KENT, DAVID TREVOR; A.C.A., 1959; Preston Cottage, Wormley Hill, Godalming, Surrey.
- KEREVAN, AUSTIN JAMES; A.C.A., 1959; Fairfield, Heighington, Lincoln.
- KERSHAW, BRIAN; A.C.A., 1959; 32 Kimberley Avenue, Blackpool.
- KETLEY, LESLIE; A.C.A., 1959; 51 Woodhall Road, Chelmsford, Essex.
- KILSHAW, RONALD FREDERICK; A.C.A., 1959; The Lonsdale Hotel, Halifax Road, Liversedge, Yorks.
- KING, ARNOLD HARROP, B.COM.; A.C.A., 1959; 36 Littlemoor, Queensbury, Bradford.
- KING, DAVID JAMES; A.C.A., 1959; 13 Verdayne Avenue, Shirley, Croydon, Surrey.
- KING, DONALD; A.C.A., 1959; 19 Ridgetor Road, Woolton, Liverpool.
- KING, THOMAS HENRY EDWARD; A.C.A., 1959; 36 Elmhurst Court, St. Peters Road, Croydon, Surrey.
- KINSLEY, JOHN TERENCE; A.C.A., 1959; 108 Raleigh Road, Feltham, Middx.
- KITSON, JOHN TREVOR; A.C.A., 1959; "Hazel-dene," Belgrave Street, Ossett, Yorks.
- KNELLER, MELVYN AUBREY; A.C.A., 1959; 56 Lancing Road, Newbury Park, Ilford, Essex.
- KNOCK, JOHN EDWIN; A.C.A., 1959; 12 Lealands Avenue, Leigh, Tonbridge, Kent.
- §KROLL, DAVID; A.S.A.A., 1959; 37 Broadfields Avenue, Edgware, Middx.
- LAKEMAN, CERI BOON; A.C.A., 1959; 17 Bell Barn Road, Stoke Bishop, Bristol, 9.
- LALL, MADAN MOHAN; A.C.A., 1959; c/o State Bank of India, 25 Old Broad Street, London, E.C.2.
- LAMB, MAURICE ERNEST; A.C.A., 1959; with Clemons, Midgley & Co., 52 Bedford Row, London, W.C.1.
- LANCASHIRE, WILLIAM JOHN; A.C.A., 1959; Meadowcroft, Epsom Road, Ashted, Surrey.
- LANCE, NICHOLAS OWEN; A.C.A., 1959; Crownfield House, Bethersden, near Ashford, Kent.
- LANE, STEPHEN WADDINGTON, M.A.; A.C.A., 1959; 5 Cardigan Court, Leeds, 6.
- LATHAM, CHRISTOPHER GEORGE ARNOT, B.A.; A.C.A., 1959; "Hermiston," Hadley Common, Barnet, Herts.
- LATHAM, GEOFFREY ANTHONY; A.C.A., 1959; 42 Priory Road, Hook, Chessington, Surrey.
- §LAUBSCHER, BARRY DAVID; A.S.A.A., 1959; with Peat, Marwick, Mitchell & Co., P.O. Box 7400, Johannesburg, S. Africa.
- LAWSON, BRIAN JOSEPH; A.C.A., 1959; 136 London Road, Twickenham, Middx.
- LEACH, RICHARD JOHN; A.C.A., 1959; 60 Saxmundham Rd., Aldeburgh, Suffolk.
- LEGG, LESLIE HARRY JAMES; A.C.A., 1959; 132A Tartar Road, Cobham, Surrey.
- LESH, JOHN; A.C.A., 1959; 271c Archway Road, Highgate, London, N.6.
- LEVENE, MICHAEL; A.C.A., 1959; 4 Parkside Drive, Edgware, Middx.
- LEVETT, RICHARD STUART; A.C.A., 1959; 7 The Orchard, Winchmore Hill, London, N.21.
- LEVISON, JULIAN PHILIP; A.C.A., 1959; 71 Dorchester Way, Kenton, Middx.
- LEWIS, PETER VINCENT; A.C.A., 1959; 13 The Little Boltons, London, S.W.10.
- LICKISS, MICHAEL GILLAM, B.SC.(ECON.); A.C.A., 1959; 83 Corhampton Road, Boscombe East, Bournemouth.
- LIGHTFOOT, PETER CAMPBELL HERBERT; A.C.A., 1959; 7 Canadian Avenue, Hoole, Chester.
- LIM, CHONG BENG; A.C.A., 1959; 43 Mecklenburgh Sq., London, W.C.1.
- LISTER, JOHN; A.C.A., 1959; 38 Norton Road, Roundhay, Leeds, 8.
- LLOYD, KEITH DAVID; A.C.A., 1959; 4 Cressington Avenue, Higher Tranmere, Birkenhead, Cheshire.
- LLOYD, MICHAEL JOYSON; A.C.A., 1959; 41 St. Andrew's Road, Ilford, Essex.
- LLOYD, ROGER WELSFORD; A.C.A., 1959; 19A Chichester Road, Croydon.
- LO, RAMSAY DONALD, B.A.; A.C.A., 1959; 67 Ridge Hill, Golders Green, London, N.W.11.
- LOCK, JOHN MICHAEL; A.C.A., 1959; 7 Oakmeade, Hatch End, Middx.
- LOMAX, MICHAEL RICHARD COUNSELLOR; A.C.A., 1959; Warrendale, Howey Lane, Frodsham, Cheshire.
- LONG, COLIN JAMES; A.C.A., 1959; 31 Julian Avenue, Walkergate, Newcastle upon Tyne, 6.
- LORKIN, ANTHONY CHATTERTON; A.C.A., 1959; "Wayside," Linksway, Northwood, Middx.
- LOWE, JOHN BRUCE DUFF; A.C.A., 1959; with Louis Nicholas & Co., 19 Castle Street, Liverpool, 2.
- LOWE, PHILLIP; A.C.A., 1959; 366 Inglemire Lane, Hull, Yorks.
- LUCAS, JOHN MICHAEL; A.C.A., 1959; "Thorn Lea," Whalley Road, Langho, near Blackburn.
- LUCAS, ROGER FRANK; A.C.A., 1959; 35 St. Martins Road, Bristol, 4.
- LUK, THAU MIN; A.C.A., 1959; 1 Hans Crescent, London, S.W.1.
- LUNDIE, DONALD ARTHUR; A.C.A., 1959; 24 Ash Tree Dell, Kingsbury, London, N.W.9.
- LYLE, IAN ALEXANDER DOUGLAS; A.C.A., 1959; with Leaver, Cole & Co., 54 Cannon Street, London, E.C.4.
- LYON, DAVID; A.C.A., 1959; Manor House, St. Thomas's Road, Chorley, Lancs.
- LYON, MICHAEL GORDON; A.C.A., 1959; "Ainsgarth," Dawstone Road, Heswall, Cheshire.
- LYONS, BARRY HUGH; A.C.A., 1959; 153 East End Road, East Finchley, London, N.2.
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- MAULIFFE, TERENCE MICHAEL; A.C.A., 1959; 21 Hill View Crescent, Ilford, Essex.
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- MACKERVOY, IAN JOHN; A.C.A., 1959; 10 Grove Park Avenue, London, E.4.
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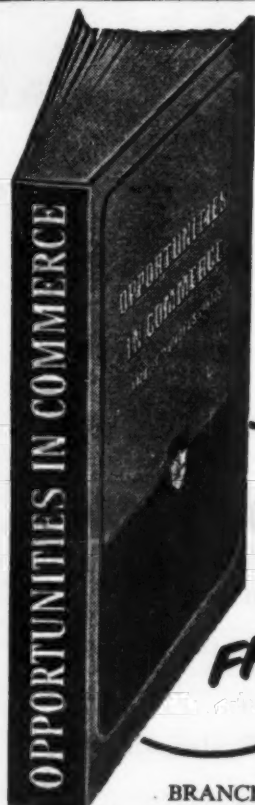
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- STEPHENSON, BRIAN; A.C.A., 1959; 21 Ruskin Avenue, Padiham, near Burnley.
- STEPHENSON, DAVID HILARY; A.C.A., 1959; 53 Sandgate Road, Hall Green, Birmingham, 28.
- STEWART, MALCOLM DE MOWBRAY ADAM; A.C.A., 1959; 22 Pinebeach Court, Beach Road, Branksome Park, Bournemouth.
- STOCKER, DENIS GEORGE; A.C.A., 1959; 34 Edendale Road, Barnehurst, Bexleyheath, Kent.
- STONE, TERENCE JOHN; A.C.A., 1959; "Woods," Bloomfield Park, Bath, Somerset.
- STOWERS, RICHARD MARTIN; A.C.A., 1959; 15 The Highway, Sutton, Surrey.
- STUART, ALEXANDER GEORGE PATRICK; A.C.A., 1959; Bramerton House, Bramerton, Norwich.
- STYLE, ALAN CHAIM; A.C.A., 1959; 8 Mallory Road, Hove, 4, Sussex.
- SUMMERFIELD, JOHN HARRY; A.C.A., 1959; 833 Shirley Road, Hall Green, Birmingham, 28.
- SUMNER, FRANCIS WILFRID; A.C.A., 1959; 37 Oakleigh Gardens, Whetstone, London, N.20.
- SUTTON, JOHN CHARLES; A.C.A., 1959; 1 St. Mary's Road, Abergavenny, Mon.
- SYKES, HENRY JOHN LEIGH; A.C.A., 1959; 16 Linwood Grove, Darlington, Co. Durham.
- TAPPIN, CHRISTOPHER JOHN; A.C.A., 1959; Dulverton, Old Court, Ashted, Surrey.
- TAYLOR, COLIN EDWARD; A.C.A., 1959; "Mimosa," Granville Street, Copthorne, Shrewsbury.
- TAYLOR, GEOFFREY; A.C.A., 1959; 56 Cotingley Road, Sandy Lane, near Allerton, Bradford.
- TAYLOR, NORMAN; A.C.A., 1959; 82 Dene Crescent, Wallsend, Northumberland.
- TAYLOR, PHILIP MICHAEL, B.A.; A.C.A., 1959; "Rameen," Maltravers Drive, Littlehampton.
- TENNYSON, JOHN GORDON ALLAN; A.C.A., 1959; 220 Priests Lane, Shenfield, Brentwood, Essex.
- THOMAS, ALAN DOUGLAS LAING; A.C.A., 1959; 169 Drayton High Road, Drayton, Norwich.
- THOMAS, ANTHONY; A.C.A., 1959; 27 St. John's Road, Sidcup, Kent.
- THOMAS, CLARENCE EDWARD; A.C.A., 1959; 5 Western Drive, Woodend Park, Liverpool, 19.
- THOMAS, FRANCIS GEORGE NORTHCOTT, B.Sc. (ECON.); A.C.A., 1959; Cornish Arms, Frogpool, near Truro, Cornwall.
- THOMAS, JAMES HENRY, B.Sc.(ECON.); A.C.A., 1959; c/o Booker Bros., McConnell & Co. Ltd., Georgetown, British Guiana.
- THOMAS, ROYSTON EDWARD; A.C.A., 1959; 107 St. Andrews Drive, Stanmore, Middx.
- THOMPSON, MICHAEL; A.C.A., 1959; 57 Pleckgate Rd., Blackburn.
- THORNEYCROFT, NEVILLE CLIFFORD; A.C.A., 1959; 1 Darlaston Lane, Bilston, Staffs.
- THORNLEY, COLIN; A.C.A., 1959; 11 Suthers Street, Radcliffe, Manchester.
- THORNTON, BRIAN; A.C.A., 1959; 525 New Chester Road, Bromborough, Cheshire.
- THORNTON, GRAHAM FRANCIS; A.C.A., 1959; 187 Moorland Road, Burslem, Stoke-on-Trent.
- THURSZ, RONALD LOUIS; A.C.A., 1959; 1 Beechfield Avenue, Blackpool.
- TIMMIS, MICHAEL JAMES GUY; A.C.A., 1959; 4 York Avenue, Wolverhampton.
- TOWERS, CHARLES HUGH; A.C.A., 1959; "The Elms," Sparrows Herne, Bushey, Herts.
- TRIBE, ALLAN; A.C.A., 1959; 44 Downsway, Great Bookham, Leatherhead, Surrey.
- TRIGGS, JOHN PETER; A.C.A., 1959; 59 Malden Hill Gardens, New Malden, Surrey.
- TROTT, IAN BENINGTON; A.C.A., 1959; 8 Worcester Crescent, Clifton, Bristol, 8.
- TURNBULL, IAN STEWART; A.C.A., 1959; 10 Park View, Cheadle Heath, Stockport.
- VALE, JOHN; A.C.A., 1959; 69 St. James Road, Derby.
- WADDELL, JOHN MACALISTER, B.A.; A.C.A., 1959; 34 Trebovir Road, London, S.W.5.
- WADDINGTON, JOHN RUSSELL; A.C.A., 1959; 435 Rossendale Road, Burnley.
- WADE, ROBERT LUDLEY; A.C.A., 1959; 55 Ormesby Bank, Ormesby, Middlesbrough.
- WAGHORN, BRIAN JAMES; A.C.A., 1959; 56 Station Road, Thames Ditton, Surrey.
- WALKER, WILLIAM HUGH COLQUHOUN, B.A.; A.C.A., 1959; Little Poundsford, Punnetts Town, Heathfield, Sussex.
- WALLACE-TURNER, ROBERT JOHN AUFRERE CARR, B.A.; A.C.A., 1959; Dipley Grange, Hartley Wintney, Hampshire.
- WALLIS, IVAN ARTHUR; A.C.A., 1959; 9 Mill Road, Impington, Cambs.
- WALTZER, LEONARD; A.C.A., 1959; 107 Englefield Road, London, N.1.
- WARD, BRYAN KEITH, B.Sc.(ECON.); A.C.A., 1959; 108 Hedge Lane, Palmers Green, London, N.13.
- WARD, GEORGE HENRY REGINALD; A.C.A., 1959; 19 Beech House, Maitland Park, London, N.W.3.
- WARD, JACK; A.C.A., 1959; 24 Danum Drive, Baildon, Shipley, Yorks.
- WARREN, LESLIE JAMES VALENTINE; A.C.A., 1959; 31 Parkside Drive, Watford, Herts.
- WASANI, SHARAD GOKALDAS; A.C.A., 1959; Jaya Mahal, French-Bridge, Bombay, 7.
- WATERS, ANTHONY FLOYD; A.C.A., 1959; 86 Coldharbour Rd., Bristol, 6.
- WATERWORTH, MICHAEL; A.C.A., 1959; 67 Brompton Avenue, Colwyn Bay, N. Wales.
- WATLING, JOHN; A.C.A., 1959; 29 Cranford Avenue, Macclesfield, Cheshire.
- WATSON, BENJAMIN BRUCE CUNNINGHAM, B.A.; A.C.A., 1959; 99 Montpelier Place, London, S.W.7.
- WATSON, MICHAEL BLAIR; A.C.A., 1959; "The Highlands," Creswell Grove, Stafford.
- WATTS, JOHN GARRATT; A.C.A., 1959; 40 Church Lane, Shipley.
- WAY, DEREK HAROLD; A.C.A., 1959; 20 Roe Street, Macclesfield.
- WEATHERHOGG, WILLIAM PAUL, B.Sc.(ECON.); A.C.A., 1959; 202 City Way, Rochester, Kent.
- WEDGE, BRYAN KENNETH; A.C.A., 1959; 109 Spetchley Road, Worcester.
- WEIR, CLIVE FREDERICK; A.C.A., 1959; Lordsley, Ashley, Market Drayton, Salop.
- WELLER, JEFFREY DAVID; A.C.A., 1959; 44 Beaufort Avenue, Kenton, Middx.
- WEST, EDWARD ALBERT; A.C.A., 1959; 25 Carmelite Road, Wealdstone, Middx.

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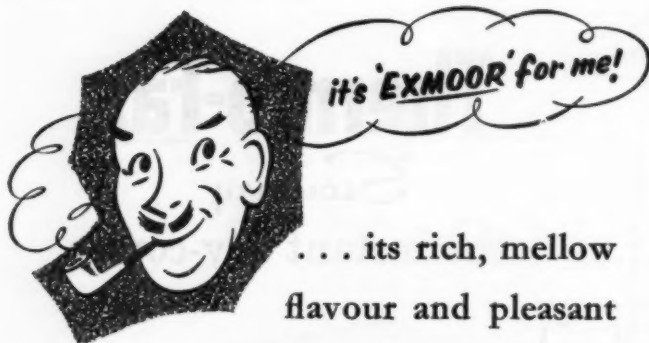
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- WEST, JAMES CRAWSHAW; A.C.A., 1959; 88 Rathmore Crescent, Southport.
- WESTON, SAMUEL JAMES HOLROYD, B.A.; A.C.A., 1959; "Fourtrees," Tollerton, Notts.
- WHALE, COLIN; A.C.A., 1959; 113 Green Lane, Coventry.
- WHALLEY, (Miss) SUZANNE; A.C.A., 1959; with Herbert Pepper & Rudland, Waterloo House, 20 Waterloo Street, Birmingham, 2.
- WHEELWRIGHT, JOHN VINCENT; A.C.A., 1959; "Three," Bourton Road, Olton, Solihull, Warwicks.
- WHITE, ALAN, B.Sc.(ECON.); A.C.A., 1959; 33A Manchester Road, Altrincham, Cheshire.
- WHITTON, NORMAN FREDERICK; A.C.A., 1959; 185 Wimbledon Park Road, Southfields, London, S.W.18.
- WIGG, MICHAEL NORMAN; A.C.A., 1959; 454 London Road South, Lowestoft, Suffolk.
- WIGGINS, FRANK MICHAEL JOHN; A.C.A., 1959; 30 Kelburne Road, Cowley, Oxford.
- WIGRAM, GERRARD CHARLES; A.C.A., 1959; "Maeshowe," Sea View Road, Somerset West, Cape Province, S. Africa.
- WILD, BARRY EDWARD; A.C.A., 1959; 164 Coles Lane, Sutton Coldfield, Warwicks.
- WILDMAN, RICHARD; A.C.A., 1959; 309 Blackpool Old Road, Carleton Crossing, near Blackpool.
- WILKINSON, JOHN STUART; B.A., A.C.A., 1959; with Alliot, Makepeace & Co., Portland House, 73 Basinghall Street, London, E.C.2.
- WILLIAMS, BRIAN; A.C.A., 1959; 5 Acuba Road, Wimbledon Park, London, S.W.18.
- WILLIAMS, CHARLES ROBIN GILBERT; A.C.A., 1959; The Old Manse, Bassaleg, Mon.
- WILLIAMS, DEREK; A.C.A., 1959; 79 Overstone Road, Luton.
- WILLIAMS, PETER JOHN; A.C.A., 1959; 13 Roseland Road, Kenilworth, Warwicks.
- WILLIAMS, VERNON KEITH; A.C.A., 1959; 4 Janet Street, Rhydyfelin, Pontypridd, Glam.
- WILMOT, JOSEPH MICHAEL; A.C.A., 1959; 8 Audley Gardens, Sunderland.
- WILSON, GEOFFREY MICHAEL; A.C.A., 1959; 17 Denbigh Avenue, Fulwell, Sunderland.
- WILSON, (Miss) RUTH MARGARET; A.C.A., 1959; 23 Kingsway, Penwortham, Preston.
- WILSON, STUART ARTHUR LEFRIC; A.C.A., 1959; 20 Bethune Road, London, N.16.
- WILTSHIRE, COLIN ANDREW; A.C.A., 1959; 2 Salisbury Villas, Milehouse, Plymouth.
- WINDER, JOHN LINDSAY; A.C.A., 1959; 32 Dane Avenue, Barrow-in-Furness.
- WISE, LESLIE MICHAEL; A.C.A., 1959; 5 Hall Road, London, N.W.8.
- WOLVERSON, MAURICE FRANK; A.C.A., 1959; with W. P. Barnfield & Co., 151 Lichfield Street, Walsall, Staffs.
- WOOD, JOHN ALAN; A.C.A., 1959; 62 Clinton Close, Knaphill, Woking, Surrey.
- WOODLIFFE, DAVID LEONARD; A.C.A., 1959; 38 St. Margaret's Road, Whitchurch, Cardiff.
- WREN, ANTHONY EDWARD; A.C.A., 1959; 35 Holyrood Road, New Barnet, Herts.
- WRIGHT, HUBERT; A.C.A., 1959; 96 Broomhill Avenue, Exley Head, Keighley, Yorks.
- WRIGHT, JOHN CHRISTOPHER; A.C.A., 1959; 35 Southport Road, Chorley, Lancs.
- YATES, VICTOR CYRIL; A.C.A., 1959; 3 Church Close, Edgware, Middx.
- YOUNG, ALAN GODFREY; A.C.A., 1959; 6 Woodhall Park Grove, Stanningley, Pudsey, Yorks.
- YOUNG, JOHN MALCOLM; A.C.A., 1959; 5 Paget Road, Barry Island, Glam.
- (S. 1953); (S. McCombie & Co.), Barclays Bank Chambers, Hitchin, Herts, and at Stevenage.
- BROWNING, DAVID GEORGE; A.C.A., 1951; (Bolton, Bullivant & Co.), 6 Friar Lane, Leicester.
- EARLEY, WILFRID PATRICK; A.C.A., 1923; (*Price Waterhouse & Co.), 86 Koningin-negracht, The Hague; (for other towns see *Price Waterhouse & Co. (European firms)).
- ETHERINGTON, HUBERT, M.C.; A.C.A., 1958; (S. 1924); (Adams & Etherington), Yanatas Buildings, Willshaw Street, New Cross, London, S.E.14.
- FINLAYSON, DONALD MALCOLM; A.C.A., 1948; (Harmood Banner, Lewis & Mounsey), 24 North John Street, Liverpool, 2, and at Chester, London and Manchester.
- GIBSON, RICHARD FREDERICK; A.C.A., 1929; (Nevill, Hovey, Smith & Co.), Southgate Place, Launceston, Cornwall, and at Exeter and Plymouth.
- GLISSAN, REGINALD JOHN; A.C.A., 1952; (Tyler & Wheatcroft), Central House, 75 New Street, Birmingham, 2.
- GREEN, HUGH CLAUDE; A.C.A., 1948; (A. C. Palmer & Co.), 21 Knightsbridge, Hyde Park Corner, London, S.W.1.
- HIGGISON, JOHN MICHAEL; A.C.A., 1947; (Henry Malpas & Son), 21 Great George Street, Bristol, 1.
- HODGSON, FREDERICK JOHN WARMINGHAM; A.C.A., 1950; (Nevill, Hovey, Smith & Co.), 44 Thorn Park, Plymouth, and at Exeter, Launceston and Okehampton.
- HORTON, JOHN ARTHUR; A.C.A., 1951; (Tyler & Wheatcroft), Central House, 75 New Street, Birmingham, 2.
- HOUNSFIELD, PETER GERALD, T.D.; A.C.A., 1946; (†Gundry, Cole & Co.), 3 Great Winchester Street, London, E.C.2.
- INCE, FREDERICK ROBERT; A.C.A., 1958; (S. 1939); (*Rigden, Ince & Richards), 13 Bloomsbury Square, London, W.C.1, and at Tonbridge.
- LAWSON, DAVID BAILEY; A.C.A., 1948; (Hemsley Miller & Co.) and (Ferguson-Davie & Co.), Finsbury Court, Finsbury Pavement, London, E.C.2; also (Hemsley Miller & Co.), 332 High Road, Brondesbury, London, N.W.6, and at Chesham and Slough.
- LOW, ALAN LESLIE; A.C.A., 1958; (S. 1935); (*Noble, Low & Co.), 2 Doughty Street, London, W.C.1.
- LUSH, WILLIAM VAWDREY; A.C.A., 1958; (S. 1935); (Porter, Gee & Co.), Mowbray House, 14 Norfolk Street, Strand, London, W.C.2.
- MITCHELL, ARTHUR EDWARD; A.C.A., 1953; (Edward Mitchell & Son), 71 Saltergate, Chesterfield.
- MORGAN, (Mrs.) AMY MARY EMILY, B.Sc. (ECON.); A.C.A., 1953; College Street, Aberdare, Glam.
- NAGLEY, BENJAMIN; A.C.A., 1958; (S. 1929); (B. Nagley & Co.), 24 Sir Thomas Street, Liverpool, 2.
- PINSKER, HARRY; A.C.A., 1953; (*Isherwood & Co.), 23 Albemarle Street, Piccadilly, London, W.1.
- PORTER, GORDON BYRD, B.COM.; A.C.A., 1958; (S. 1952); (Porter, Gee & Co.), Mowbray House, 14 Norfolk Street, Strand, London, W.C.2.
- RAE, CECIL BERTRAM; A.C.A., 1958; (S. 1925); (R. S. Dawson & Co.), 11 Cheapside, Bradford, 1.
- RICHARDS, ANTHONY JAMES; A.C.A., 1958; (S. 1953); (*Rigden, Ince & Richards), 13 Bloomsbury Square, London, W.C.1, and at Tonbridge.
- ROGERS, PHILIP FERGUS; A.C.A., 1951; (Edmund D. White & Sons), London & Lancashire Chambers, 45A Dale Street, Liverpool, 2, and at London.
- SIDAWAY, GEORGE FREDERICK, B.COM.; A.C.A., 1952; (F. E. Sidaway, Son & Co.), 6 Long Lane, Market Place, Blackheath, Staffs, and at Halesowen.
- SLATER, HARRY; A.C.A., 1958; (S. 1924); (R. S. Dawson & Co.), 11 Cheapside, Bradford, 1.
- TROPP, NEVILLE; A.C.A., 1952; (Gerald Edelman & Co.), 25 Harley Street, London, W.1.
- TURNER, DAVID WILLIAM; A.C.A., 1958; (S. 1952); (Tunnard & Turner), 8 The Crescent, Wisbech, and at King's Lynn.
- WALES, CONRAD, LL.B.; A.C.A., 1958; (S. 1930); (Makinson & Co.), 1 Hill Street, Lydney, Glos., and at Llanblethian.
- WALLINGTON, CLIFFORD; A.C.A., 1952; (Hemsley Miller & Co.) and (Ferguson-Davie & Co.), Finsbury Court, Finsbury Pavement, London, E.C.2, and (Hemsley Miller & Co.), 332 High Road, Brondesbury, London, N.W.6, and at Chesham and Slough.
- WATCHORN, RICHARD GEOFFREY; A.C.A., 1944; (Tyler & Wheatcroft), Central House, 75 New Street, Birmingham, 2.
- WILKES, RICHARD GEOFFREY; A.C.A., 1952; (Bolton, Bullivant & Co.), 6 Friar Lane, Leicester.
- WILLIS, WILLIAM ERNEST, D.F.C., B.A.; A.C.A., 1938; (Wykes & Co.), 24 Friar Lane, Leicester; also at Nottingham (†Peat, Marwick, Mitchell & Co.).
- WITTET, MICHAEL GEORGE; A.C.A., 1945; (†Graham, Smart & Annan) and (†Dewar & Robertson), 22 Charlotte Square, Edinburgh, 2; also at London (†Dewar & Robertson).
- WOODS, JOHN BURROWS COLLINGS; A.C.A., 1914; (*Fedde & Co.), 107 William Street, New York, 38, N.Y., U.S.A.

Use of letters F.S.A.A.

Applications from the following incorporated accountant members A.S.A.A. to use the letters F.S.A.A. under clause 4 (b) of the scheme of integration referred to in clause 34 of the Supplemental Royal Charter were acceded to:

- §CULLINGWORTH, ROY BRISBANE; (1958); A.S.A.A., 1951; (*Allan & Harsant), P.O. Box 1603, Salisbury, S. Rhodesia, and at Bulawayo.
- §EDNEY, GEORGE, B.COM.; (1958); A.S.A.A., 1948; Chief Accountant, Port of London Authority, Trinity Square, London, E.C.3.
- §MITCHELL, WELLESLEY GLEN; (1958); A.S.A.A., 1953; (*Wm. Davidson & Partners), Centenary Building, Bureau Lane, (P.O. Box 882), Pretoria, S. Africa.

Members Commencing to Practise

The Council received notice that the following members had commenced to practise:

- APPS, BASIL ALBERT; A.C.A., 1958; (S. 1938); 7 Queens Grove, Southsea.
- ARGENT, CHARLES WILLIAM; A.C.A., 1930; 85 Tycehurst Hill, Loughton, Essex.
- ARMSTRONG, CHRISTOPHER JOHN; A.C.A., 1955; 62 Pinner Court, Pinner, Middlesex.
- BAKERMAN, WARNER; A.C.A., 1958; Investment Buildings, 67 Lord Street, Liverpool, 2.
- DEVINE, PHILIP PATRICK; A.C.A., 1957; 144 Felbridge Road, Goodmayes, Essex.
- DIAS, SAMUEL; A.C.A., 1955; (S. Dias & Co.), 92A Oxford Gardens, Ladbroke Grove, London, W.10.

Elections to Fellowship

The following were elected to fellowship:

- ARMSTRONG, ROBERT JOHN; A.C.A., 1958;

- DRAKE, RONALD WILLIAM FREDERICK; A.C.A., 1958; (S. 1939); Chancery Cottage, Middlewich, Cheshire.
- EVERITT, DOUGLAS PETER; A.C.A., 1958; (S. 1956); (*A. McCracken & Co.), Westminster Bank Chambers, 97 Cleethorpe Road, Grimsby.
- HAINES, DENNIS GEORGE; A.C.A., 1953; 61 Harwater Drive, Loughton, Essex.
- HALL, KENNETH GEORGE; A.C.A., 1958; (S. 1948); White Lodge, Wellington Road, Jersey, Channel Islands.
- HANDLEY, NOEL ARTHUR, M.A., A.C.A., 1957; (Fisher, Batty & Spurway), 2 Lombard Street West, West Bromwich, Staffs.
- HICKMAN, ERIC SAMUEL; A.C.A., 1950; 7 Lindsay Close, Epsom, Surrey.
- KRAFT, SIDNEY RAYMOND; A.C.A., 1958; (S. 1957); (Raymond Kraft & Co.), 75 Cumbrian Gardens, Hendon Way, London, N.W.2.
- MARTYN, FRANK; A.C.A., 1958; (F. Martyn & Co.), 58 Darville Road, Stoke Newington, London, N.16.
- MASCARENHAS, WALTER LOUIS; A.C.A., 1953; 16 Emanuel Avenue, Acton, London, W.3.
- MENDES DA COSTA, JUDAH REGINALD; A.C.A., 1955; 62 Falconwood Road, Addington, Croydon, Surrey.
- NEIGHBOUR, ROY EDWARD; A.C.A., 1958; (S. 1955); (Sims, Neighbour & Co.), "Windy Ridge," Monument Lane, Chalfont St. Peter, Bucks.
- NIXON, NEVILLE JOHN; A.C.A., 1958; (S. 1956); (John H. Nixon & Co.), Johnson's Buildings, 42 Spring Gardens, Manchester, 2.
- NORRIS, JOHN CHARLES; A.C.A., 1958; (S. 1956); 73 Hay Lane, Kingsbury, London, N.W.9.
- ORR, CYRIL JAMES; A.C.A., 1943; Rydal, Riverfield Road, Staines, Middlesex.
- PATTERSON, JOHN RICHARD SPENCER; A.C.A., 1958; 15 Mayfair Avenue, Urmston, Manchester.
- POOLE, RONALD PETER; A.C.A., 1958; (G. J. Hockman & Co.), 26/27 Conduit Street, London, W.1.
- SIDWELL, CLIFTON EDWARD; A.C.A., 1958; (S. 1957); (K. Lishman & Co.), 17 Princes Street, Harrogate.
- SPITTLE, KENNETH GEORGE; A.C.A., 1958; (S. 1938); 2 Naseby Road, Solihull, Warwickshire.
- SYKES, GORDON BARNES; A.C.A., 1952; (Pearce, Son & Pearce), 22 Hampshire Terrace, Portsmouth.
- TAYLOR, MARTIN; A.C.A., 1958; (S. 1937); 73 Arlington Road, Southgate, London, N.14.
- TAYLOR, MAURICE BASIL; A.C.A., 1958; (S. 1926); (Beavis, Walker & Co.), 53 New Broad Street, London, E.C.2.
- VAUGHAN, MICHAEL VAUGHAN; A.C.A., 1950; (*Ward & Co.), 11 Landport Terrace, Portsmouth.
- WADHAM, ANTHONY COOPER; A.C.A., 1958; (S. 1948); (Pearce, Son & Pearce), 22 Hampshire Terrace, Portsmouth.
- WEISSBERGER, EDGAR CECIL JAMES; A.C.A., 1956; (E. Weissberger & Co.), 14 Oakleigh Gardens, Edgware, Middlesex.
- WESTERN, MICHAEL IAN; A.C.A., 1958; 68 Hargrave Park, Archway, London, N.19.

§ Means "incorporated accountant member."

Firms not marked † or * are composed wholly of members of the Institute.

† Against the name of a firm indicates that the firm, though not wholly composed of members of the Institute, is composed wholly of chartered accountants who are members of one or another of the three Institutes of chartered accountants in Great Britain and Ireland.

* Against the name of a firm indicates that the firm is not wholly composed of members of one or another of the three Institutes of chartered accountants in Great Britain and Ireland.

WESTHEAD, NORMAN ALBAN; A.C.A., 1956; (Wright & Westhead), 1 Martin Street, Stafford, and at Cannock and Wolverhampton.

WHITEHEAD, ROYSTON FRANK; A.C.A., 1958; (S. 1956); (Norman Cooke & Co.), 12 Queen's Road, Coventry, and at Solihull.

Admission to Membership under the Scheme of Integration

The Council acceded to applications from two members of the Society of Incorporated Accountants for admission to membership of the Institute pursuant to the scheme of integration referred to in clause 34 of the Supplemental Charter. Both the new members have been notified. The total number of members now admitted under the scheme is 10,048.

Re-admissions to Membership

Subject to payment of the amounts required by the Council, two former members of the Institute were re-admitted to membership under clause 23 of the Supplemental Royal Charter. Two applications under clause 23 were refused.

It was reported to the Council that the following re-admissions, made at the Council meeting on January 7, 1959, subject to payment of the amount required, had become effective.

ANDERSON, ARTHUR EDMUND, A.C.A., c/o Air Ministry, Dept. P.4, Adastral House, Theobald's Road, London.

HAMZA, ABD EL-MAKSUD, A.C.A., 19 Sharia Adly Pasha, Cairo, Egypt.

Resignations

The Council accepted the resignations from membership of the Institute of:

ALEXANDER, LEE MANSELL; A.C.A., 1927; 2 Connaught Place, London, W.2.

BUTCHER, FREDERICK CECIL DAVID; A.C.A., 1958; (S. 1953); 70 Ramsey Road, Upper Dovercourt.

COURTIOR, JOHN BARTLETT; A.C.A., 1955; 111 Fouracre Crescent, Downend, Bristol.

KNIGHT, GEOFFREY THOROLD; A.C.A., 1932; c/o Sugar Products Co. (Liverpool), Ltd., 54 Wigan Road, Ormskirk, Lancs.

KNIGHT, HUBERT ARCHIBALD EGERTON; A.C.A., 1930; 132 Northdowne Road, Cliftonville, Margate.

MOUNTER, JOHN ERNEST; A.C.A., 1958; 38 Brackendale Road, Bournemouth.

RICHARDS, TIMOTHY ROY; A.C.A., 1953; 195A East Lane, North Wembley, Middlesex.

SHEARN, GEOFFREY WALTER; A.C.A., 1931; Rockwood House, Hanham Abbots, near Bristol.

TUFFIN, JOHN MALCOLM; A.C.A., 1950; 23 Chestnut Drive, St. Albans, Herts.

TURNER, THOMAS DANIEL; A.C.A., 1958; (S. 1925); 9 Surrey Street, Lowestoft.

Deaths of Members

The Council received with regret the Secretary's report of the deaths of the following members:

ARCHBUTT, GEOFFREY SAMUEL, A.C.A., Sydney.

BARNSDALE, ARTHUR, F.C.A., Golders Green.

CLAYTON, WALTER, F.C.A., Nottingham.

COTTLE, KENNETH, A.C.A., London.

COUZENS, WESLEY WILLIAM ADOLPHUS, F.C.A., London.

CUTLACK, WILLIAM JOHN, A.C.A., London.

DICKENSON, GILBERT, A.C.A., Derby.

DIGNASSE, ERNEST DUNSTAN, A.C.A., Bognor Regis.

FILLMORE, LESLIE EDWARD, F.C.A., London.

GREEN, HERBERT WILLIAM, F.C.A., Newcastle upon Tyne.

GRISWOOD, CHARLES EDGAR, A.C.A., Wallasey.

HAMER, JOHN SHEPPARD, A.C.A., Ashton-under-Lyne.

HAWTHORN, EDWARD DICKENSON, A.C.A., Woburn Sands.

JONES, CHARLES JAMES HENRY, F.C.A., Southsea.

KNIGHT, CHARLES, A.C.A., Purley.

LEAKE, GORDON LEE, A.C.A., New York.

LEES, HENRY, A.C.A., Sheffield.

LEWIS, GEORGE HENRY, F.C.A., Cambridge.

LOWE, ALFRED ASSHETON, F.C.A., London.

MILLIGAN, THOMAS EDWARD, F.C.A., Manchester.

MITCHELL, DENNIS FLOYD, A.C.A., Burham, Kent.

MITCHELL, FRANCIS JOHN LINDLEY, M.C., A.C.A., Old Heathfield, Sussex.

NELSON, BERKELEY WILLIAM, F.C.A., London.

PARK, JAMES, O.B.E., M.A., F.C.A., Manchester.

PARKHOUSE, RUPERT, A.C.A., London.

PAYNE, ERNEST GEORGE, F.C.A., London.

PHELAN, ALEXANDER JOHN, F.C.A., Manchester.

REEVE, HENRY, M.C., F.C.A., London.

RIDAL, GEOFFREY, F.C.A., Sheffield.

RIDSDALE, GEORGE ERIC, A.C.A., Salisbury, S. Rhodesia.

SPENCER, THOMAS WILLIAM, A.C.A., Newcastle upon Tyne.

TALBOT, JOHN EDWIN, F.C.A., London.

WEBSTER, STANLEY, A.C.A., Manchester.

WOODS, THOMAS LANGTREE, A.C.A., Preston.

Members' Library

The Librarian reports that among the books and papers acquired by the Institute in recent weeks by purchase and gifts are the following:

Automation and Computing; by A. D. Booth. 1958. (Staples Press, 25s.)

Business Mergers and Take-over Bids: a study of the post-war pattern of amalgamations and reconstructions of companies; by R. W. Moon, A.C.A., 1959. (Gee, 25s., presented.)

Company Accounts in New Zealand including special reference to holding company accounts; by W. G. Rodger and R. W. Steele. Wellington. 1958. (Sweet & Maxwell (N.Z.), 45s.)

Economics for the Mineral Engineer; by E. J. Pryor. 1958. (Pergamon Press, 35s.)

The Elements of Accounting; by L. Goldberg and V. R. Hill: 2nd edn. Melbourne. 1958. (Melbourne Un., 25s.)

The Enactments relating to the Profits Tax (formerly national defence contribution). . . (Board of Inland Revenue). [Loose-leaf.] 1952 to date. (H.M.S.O., 42s.)

Farm Organisation and Management; by G. Hayes. 1959. (Crosby Lockwood, 25s.)

Financial and Cost Accounting for Management; by A. H. Taylor and H. Shearing: 2nd edn. 1958. (Macdonald & Evans, 25s.)

Income Tax Handbook 1958-1959; by A. W. Gilmour. Toronto. 1958. (Richard De Boo, 67s. 10d.)

Income Tax, surtax and profits tax; by R. G. Williams, F.C.A.: 24th edn. 1958. (Donnington Press, 22s. 6d.)

Introduction to the Law of Property; by F. H. Lawson. Oxford. 1958. (Clarendon Press, 15s.)

Know Your Ministry: a description of government departments whose operations affect the conduct of business. (Midland Bank.) 1959. (Europa Publications, 25s.)

Limitation of Actions; by M. Franks. 1959. (Sweet & Maxwell, 63s.)

Policy Against Inflation; by R. Harrod. 1958. (Macmillan, 24s.)

Principles and Practice of Commerce; by J. Stephenson: 5th edn. by H. O. Beecheno. 1958. (Pitman, 30s.)

The Sale of Flats; by E. F. George: 2nd edn. 1959. (Sweet & Maxwell, 27s. 6d.)

Selecting, Planning and Managing Office Space; by Berge Robichaud. New York, 1958. (McGraw-Hill, 66s.)

Taxation, Research and Economics

THE SOUTH WALES and Monmouthshire Society of Chartered Accountants held its annual dinner at the Park Hotel, Cardiff, on February 20.

The chair was occupied by the President of the District Society, Mr. B. Rowe, F.C.A., and the guests included the Lord Lieutenant of Glamorgan (Major G. C. Treherne, T.D., J.P., K.S.T.J.); Mr. W. L. Barrows, LL.D., J.P., F.C.A. (President of the Institute of Chartered Accountants in England and Wales); Professor Brinley Thomas, O.B.E., M.A., Ph.D.; Mr. C. Stuart Hallinan, C.B.E.; Mr. W. M. Allen (an Assistant Secretary of the Institute); and others representative of the professions, commerce, and civic life.

Major G. C. Traherne, T.D., J.P., K.S.T.J. (the Lord Lieutenant of Glamorgan), proposing the toast of the Institute of Chartered Accountants in England and Wales, said this was their first dinner since the marriage with the Society of Incorporated Accountants. As a member of the public he rejoiced as the happy union. Two most honourable professional associations had come together, and he was sure that the results were going to be extremely good.

The accountancy profession stood for a great deal. Polonius had said, "Neither a borrower nor a lender be," but how could they manage their affairs on that basis today?

Accountancy seemed to him an almost necessary qualification for great success in the industrial field. They had to compete with the scientists, the engineers, and the chemists, but costings and money counted in the end.

Mr. W. L. Barrows, LL.D., J.P., F.C.A. (President of the Institute), in response, said he had much looked forward to his visit to Wales. He recalled an old seventeenth century proverb:

The North for greatness,
The East for health,
The South for neatness
And the West for wealth.

Their area was indeed wealthy in beauty and culture, and in spite of unemployment and distressed areas they seemed to be able to look after the pence.

One of his first duties as President was the unhappy one of attending last June the memorial service in their beautiful St. John's church to that great man, the late Gilbert Shepherd—certainly one of the most outstanding accountants of his generation. He was kindness itself, and was now sadly missed at Moorgate Place.

He was succeeded on the Council by Mr. Montgomery Williams, of Swansea, who was already doing excellent work on the Finance and District Societies Committees.

As a result of integration Mr. F. E. Price, of Newport, was now a member of the Council and was warmly welcomed.

Looking at the map, Mr. Barrows felt that they must have great difficulty in trying to cater for the interests of members and students in so many different towns—Cardiff, Swansea, Newport, Pontypridd, Llanelli, Carmarthen, Port Talbot, Neath, Merthyr and so on. The needs of the distant member were difficult to satisfy and he hoped that as many members as possible would keep in touch with the affairs of the Institute by attending the Summer Courses held each year at Christ Church, Oxford. They were very good value, particularly for the younger members.

The last twelve months or so had been a period of consolidation and of digesting the increase in the membership of the Institute from 20,000 to 30,000 odd. Other things had not been forgotten, and he hoped that members appreciated the issue of the *Member's Handbook*.

Some sixteen years ago he took an active part in Birmingham in an agitation, the indirect result of which was the formation of the committee now known as the Taxation and Research Committee. He was privileged recently to be present at the lunch given in London to mark its hundredth meeting. That committee and its counterparts in the Districts had been of great value to members as a whole and, in particular, to those non-practising members who felt at one time that they were somewhat neglected.

Mr. B. Rowe, F.C.A. (President of the South Wales and Monmouthshire Society) proposed the toast of the guests.

Professor Brinley Thomas, O.B.E., M.A., Ph.D. (Professor of Economics and Social Science, University College of South Wales and Monmouthshire), responding, said a partnership had grown up recently between the accountancy profession and the universities. It was working well, and Mr. Barrows had played a prominent part. It was the universities' duty to give the accountancy students a broad liberal training in the humanities. To be a good accountant was to be first in that line of country, but it was equally important to have those subtle, impenetrable gifts which they hoped could

indirectly be secured by economics, the subject which by its very nature touched life at so many points.

Mr. C. Stuart Hallinan, C.B.E., also responded.

Mr. C. R. Daniel proposed the toast of the chairman, and Mr. Rowe replied.

A Bright Branch

THE INAUGURAL DINNER of the Gloucestershire Branch of the Bristol and West of England Society of Chartered Accountants was held at the Bell Hotel, Gloucester, on February 12. Mr. D. G. Price, F.C.A., Chairman of the Branch, presided, and the company included Sir Ian Yeaman (past President of the Law Society); Mr. W. L. Barrows, LL.D., J.P., F.C.A. (President of the Institute of Chartered Accountants in England and Wales); and Mr. A. G. Lea (President of the Gloucester and County Chamber of Commerce).

Sir Ian Yeaman (past President of the Law Society) proposed the toast of the Institute of Chartered Accountants in England and Wales, and spoke of the need for co-operation between the professions of the law and accountancy. Talk of rivalry between them was unnecessary and unwise, and he believed it was untrue. There was at times some overlapping, but in the interests of their clients they were hand in hand rather than face to face.

Mr. W. L. Barrows, LL.D., J.P., F.C.A. (President of the Institute of Chartered Accountants in England and Wales), in response, observed that one of the pleasant but onerous duties of a President was attending annual dinners of District Societies, but according to precedent only at inaugural meetings was he called upon to attend a Branch. In September he had the pleasure of being present at the inaugural meeting of the Isle of Man Branch of the Liverpool Society. This, therefore, was the second in his year of office, and on behalf of the Council he wished them all well.

One of the great advantages arising from the integration scheme with the Society of Incorporated Accountants was that the substantial increase throughout the country in the membership of District Societies made it possible to create more Branches and Groups. These were of increasing value in providing facilities of all kinds for members and articled clerks.

Their District Society was ably represented on the Council for a number of years by the late Mr. Cornwell of Bristol. Mr. Croxton-Smith came on in his place in 1956 and was already doing very useful work.

He was told that their area had an unusually large number of non-practising members, engaged in commerce. He wanted to say to them that the Council was doing all it could to encourage members not in practice to take an active part in Committee work, in the work of the Taxation and Research Committee and, in fact, in the life of the Institute.

He was glad to see among their objects: "To supervise the professional interests of the articulated clerks in the area." In a scattered area such as theirs the problem of the distant student was not an easy one. The Council considered it essential that all students be members of a Students' Society, and he suggested to principals that they ought to encourage their articulated clerks to attend one or more of the residential courses, usually held at a weekend, run by the District or Students' Societies.

The Celtic name of Gloucester was *Caer Glou*, meaning "a bright site." He hoped that the Branch would live up to the bright name for its city.

Mr. S. R. Perratt, F.C.A. (President of the Bristol and West of England Society of Chartered Accountants), proposing the toast of the Branch, said that its future success depended not only upon the committee and officers but on the rank and file of members in the area.

Mr. D. G. Price, (Chairman of the Gloucestershire Branch), responded.

The toast of the guests was proposed by Mr. W. V. Eggleton, F.C.A., and acknowledged by Mr. A. G. Lea (President of the Gloucester and County Chamber of Commerce).

The Rights of Shareholders

THE FIRST ANNUAL dinner of the York Group of the Leeds, Bradford and District Society of Chartered Accountants was held on February 20 at the Merchant Taylors' Hall, York. The Chairman of the York Group, Mr. L. Rank, F.C.A., presided, and the company included The Rt. Hon. the Lord Mayor of York (Councillor A. L. Philipson, J.P.); The Rt. Hon. Sir Harry Hylton-Foster, Q.C., M.P. (the Solicitor General); Mr. G. N. Hunter, J.P., F.C.A. (President of the Leeds, Bradford and District Society of Chartered Accountants); Mr. C. W. Robinson (President of the Yorkshire Law Society); Mr. A. D. Gladwin, J.P., F.A.C.C.A. (Joint General Manager of the Yorkshire Insurance Co. Ltd.); and other representatives of professional bodies, commerce and the Inland Revenue.

After Mr. Rank had proposed the loyal toast, Mr. C. W. Robinson (President of the Yorkshire Law Society) proposed that of the City of York. He said that the City Council, together with benevolent people and organisations, was constantly trying to improve the city and make it even more beautiful. There were a number of problems still to be tackled—chiefly that of traffic congestion.

The Rt. Hon. the Lord Mayor of York (Councillor A. L. Philipson, J.P.), in response, said one way in which York could be beautified tremendously was by proper development of the river front. A newly laid-out garden across the river from the Mansion House gave a fresh view of the city, and he invited any member who cared to do so to come and see it from an upstairs window.

The Rt. Hon. Sir Harry Hylton-Foster, Q.C., M.P. (the Solicitor General), who proposed the toast of the Institute of Chartered Accountants in England and Wales, said he believed it was true that their profession was now attracting some of the best young men: he would not be surprised if it was even "stealing" them from the Bar. He thought he knew the reason. The accountancy profession commanded, perhaps in an even greater degree than ever before, supreme public respect and confidence. This resulted from the high standards which the profession demanded and which the public knew it could confidently expect from chartered accountants.

Mr. G. N. Hunter, J.P., F.C.A. (President of the Leeds, Bradford and District Society of Chartered Accountants), in response, said that many ordinary folk were now investors in Ordinary shares, either as direct shareholders or through unit trusts or pension fund investments, and it seemed to him that this diversity of ownership presented a challenge to both the commercial world and their own profession. It had now become recognised that Ordinary shareholders should be consulted before any major changes in the constitution of a company. He was hoping, too, as time went by, that the wishes and rights of Ordinary shareholders in regard to dividends would be equally well recognised. For years it had been a sign of commercial virtue to restrain dividends, but he thought a little more generous distribution might well encourage saving. It might also increase the tax yield—some at least of these dividends would go to surtax payers—and, perhaps most important of all, it might prevent the possibility of takeover bids succeeding for no other reason than that shares were seriously undervalued in Stock Exchange prices based on dividends.

Mr. L. Rank, F.C.A. (Chairman of the York Group), proposing the toast of the guests, explained that the reason why the Group was only now having its first dinner, although it had been in existence eight years, was that integration with the Society of Incorporated Accountants had increased the membership in York from thirty to about sixty. They were evenly balanced, having approximately thirty in practice and thirty in industry, and the Chairman was chosen from the two categories alternately.

At one time articulated clerks were left to live on fresh air for five years, but members in York had decided they ought to have some form of assistance and were taking over the responsibility of both training and maintenance.

Mr. A. D. Gladwin, J.P., F.A.C.C.A. (Joint General Manager of the Yorkshire Insurance Company, Ltd.) replied.

District Societies

LONDON

A HIGHLY SUCCESSFUL conference on management accounting, attended by some 120 members, was held by the London and District Society at the Grand Hotel,

Eastbourne, on March 12 to 14.

The opening address was given by Mr. C. U. Peat, M.C., M.A., F.C.A., Vice-President of the Institute.

Mr. W. F. Edwards, A.C.A., gave the introductory address, on what management requires from the accountant.

A joint lecture was delivered by Mr. C. I. Bostock, M.A., F.C.A., and Mr. K. W. Bevan, A.C.A., on the preparation and use of interim accounts. There were group discussions on the papers afterwards, allowing members to profit from an interchange of views. Questions were then put to the speakers.

The success of the conference augurs well for the next one, which will also be on management accounting and which is to be held at Pembroke College, Cambridge, from September 24 to 26.

What Management Requires from the Accountant

Mr. W. F. Edwards, A.C.A., summarised what management needed from the accountant as: "a prompt and regular view or picture of the whole and of its several parts submitted in such a form that the operational merits—or demerits—of those several parts are (a) plainly visible to management and (b) incapable of being misconstrued by management."

The most important need was that the data should be submitted promptly, in order that management might take action promptly. A daily report for Monday should be available on Tuesday or not later than Wednesday morning; a weekly report by the following Tuesday or Wednesday; a monthly one not later than the 10th of the following month.

1. The Accountant and his Senior Staff

The accountant and his senior staff must have a business outlook, and a knowledge of the business procedures and of the production, market and distribution set-up of the business. He should assume the initiative in supplying data to the other members of management.

He should receive from his staff and critically examine summaries of all financial data maintained by them; they should already have "sifted" much of it and should direct his attention to unusual items of income or expenditure, or trends therein. He should then determine the extent to which, and the form in which, he would submit reports thereon to management.

Some reports would be of a regular nature and in a standard form. Others would be special and cover specific subjects.

2. Monthly Accounts

Monthly accounts, the real purpose of which was to point the way to improved results in subsequent months, rather than to hold an inquest on past activities, should be in precis form, and show the "whole" and its several parts. A covering report from the accountant transferred from him to management a definite responsibility.

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BRANCHES AND AGENCIES THROUGHOUT
THE COUNTRY



3. Annual Budgets and Monthly (or Quarterly) Forecasts

A budget and forecast procedure required the fullest co-operation of all elements of management, and probably needed a period of from three to five years for its successful and complete installation. Standards would be established against which actual performance in the period could be measured: the most beneficial result of assembling and completing the components of an annual budget.

Unit and financial forecasts, based on current experience and outlook, in the form of columnar profit and loss accounts and balance sheets and subsidiary schedules, for the current and each of the next three months (or quarters) should be made regularly each month (or quarter). They should be compared with what the same manufacturing activity, etc., or sales would yield if budget standards were being met. The resulting outlook variance from budget standards showed management the extent to which the business was falling below, or improving on, the standards.

Mr. Edwards went on to consider studies by the accountant of the benefits from additions to fixed assets, and special studies—as of the profit yield by products, as a percentage of assets employed.

Preparation and Use of Interim Accounts

Interim accounts, said the authors of the second paper, were worth preparing only if they led to management action.

If prepared as microcosms of annual accounts the emphasis of the interim accounts would be on final profit figures rather than on the elements making up those profits. In order to lead to action, management needed its attention to be drawn to the small elements of accounting information. This requirement suggested that accounting systems should be designed from the bottom upwards, so that the basic information met the needs of lower levels of management and was consolidated by stages to produce final accounts.

The various sides of any business required careful examination to discover the elements determining profitability. The basic divisions of a normal business were manufacturing, selling and administration; each should be examined separately. This examination should disclose the points to which attention should be directed: for example, in manufacturing—labour, materials, factory expenses, use of productive capacity, amount of money tied up in stock; in selling—order book, success in achieving mark-up, sales volume, price reductions, cost of market activities.

Instead of a balance sheet, information was required about cash, debtors, creditors, "non-cash" items and capital expenditure. A statement of the sources and uses of funds would give this information in a simple form.

Stock-less accounting

It was fatal for the preparation of interim accounts to depend upon the existence of

accurate stock and work-in-progress figures. The problem might be simplified if there were accurate book stock records or stable stock or quick through-put or fixed gross profit or stock which could be simply checked physically. But if stock could be estimated only by assuming a fixed rate of gross profit it might be better to ignore stock altogether in the interim accounts—to have stock-less accounting—and to rely on simple physical tests to keep the stock within bounds. In practice, however, accurate physical estimates of stock were more common than frequently expected. The aim must be to account for all actual expenses in terms of output achieved so as to disclose: (a) a manufacturing variance, (b) administrative variance and (c) selling and distribution variance, so that when from actual sales was deducted the standard cost of sales, a profit or loss could be calculated. Some use of standards of comparison was thus presupposed. If estimates of stock or rough physical checks were used, or if a standard cost approach was adopted, some margin of error between theoretical and actual stock might be acceptable, provided it was always kept at a level which could not materially affect the results.

Management hunches

Budgets or standards were part of the normal way of life of every businessman. It was the accountant's job to reduce the manager's plan to a financial budget, and in doing so he might find that he was working from the hunches of management. The accountant should avoid a superior attitude towards hunches, as much good management sprang from them. It was the accountant's job to rationalise the hunches through the discipline of double entry and it might be that for the small business this process would have to be done by the practising accountant. Discouragement of hunches might sometimes be necessary—but by no means invariably.

Budgeting and information for action

Small businesses should not be discouraged by questions of cost since, at the least, budgets would make possible periodical accounting statements of considerable value. It was essential for accountants to learn to speak the same language as management so that they could produce formulae to show management what was happening in the business. Such a formula would provide a standard of comparison; it would be expressed in financial terms as a standard cost, but it had to be expressed originally in language that management could understand. It need not be absolutely accurate, but the accountant must be confident that the formula, plus or minus the inaccuracies, would equal the figures in the orthodox profit and loss account. Once established, these formulae or standard costs not only accounted for the past in order to point action in the future, but provided the material for forecasting.

The information management required, on which to take action, need not be

voluminous and the principle of management by exception could be applied.

A case study

Mr. Bevan and Mr. Bostock gave examples of the orthodox profit and loss account of an imaginary tradesman, and of a revised draft prepared by an articled clerk in the office of the auditor. They explained how a simple system of monthly accounts was built up; how the figures were prepared for these accounts; the information that was provided to management by the interim figures; and the kind of action which might be expected to flow from studying them.

Annual Dinner

The committee of the London and District Society of Chartered Accountants announce that it is proposed to revive the pre-war custom of holding an annual dinner for members of the Society.

The resumption of these annual events commences on October 6 next when, by kind permission of the Right Hon. the Lord Mayor of London, the dinner will be held at the Mansion House. It is regretted that, on this occasion, admission must be restricted to members only. Further details will be announced at a later date.

IPSWICH AND COLCHESTER BRANCH

THE RECENTLY FORMED Ipswich and Colchester Branch of the East Anglian Society is proving most successful.

A mock income tax appeal has been held at Colchester, with an attendance of over 100. The Commissioners were Mr. D. P. Papillon and Mr. P. Benham (Solicitors) and Mr. G. T. Wright, who is a Commissioner. Mr. Peter Church, Clerk to the Witham Tax Commissioners, acted as Clerk and gave a brief explanation of the procedure. Mr. G. M. Dowrick, F.C.A., presented the case of the taxpayer, who was Mr. W. E. G. Kirby, A.C.A., Secretary of the Branch, and Mr. L. Theaker, H.M. Inspector of Taxes, acted as Inspector.

Students' Societies

LONDON

News from the Committee

THE SPRING SESSION is now well under way. Members have received programmes setting out the lectures, debates and other meetings. The Meet-the-Committee buffet lunches are continuing on the first Monday in each month.

Library

The rule relating to special borrowing of library books by examination candidates has been amended. Candidates for either Intermediate or Final examination may now borrow six, nine or twelve books at the scale of charges set out in the Library Bye-law 5.

Examination Results

Of the successful candidates at the November Institute examinations, 222 out of 578 in the Final and 339 out of 701 in the Intermediate were members of this Society. The prizes awarded by the Students' Society are:

Final: Lord Plender Prize, M. Marsh; Edith Sendell Memorial Prize, N. A. Joseph; Sir Harold Howitt Prize equally to D. J. King, T. P. Malone and D. S. Nalkin. *Intermediate:* Lord Plender Prize, F. G. Browning; Edith Sendell Memorial Prize, D. J. Gordon.

Following the results of the Incorporated examinations the Students' Society has awarded prizes to: Final, K. E. C. Payne; Intermediate, J. R. Brakell.

Sport

The Society beat the London School of Economics (4-1) at football. One badminton match was won (King's College 6-3) and one lost (S. M. Casuals 7-2).

LONDON AND BIRMINGHAM

LONDON STUDENTS DEFEATED Birmingham students 3-0 in a hockey game played at Surbiton on February 18.

SUSSEX**Annual Report**

THE MEMBERSHIP INCREASED during 1958, chiefly in consequence of integration, from 243 to 373 (328 ordinary and 45 honorary members). The Committee welcomes all new members.

Lecture meetings were held at Brighton (27), Hastings (21), Eastbourne (12) and Canterbury (2). Nearly all were on Saturday mornings. Four lectures for first-year students were again given by final students. A flannel dance was arranged in Brighton.

All-day lecture meetings were held at Canterbury in March and October and another was arranged for March, 1959. A Kent committee has been formed: the secretary is Miss P. T. Smith, of Day, Smith & Hunter, Star House, Maidstone.

Twenty-five students passed the Final examination and forty-two the Intermediate. Three were successful in Part I of the Society Final. M. F. Pope, of Canterbury, was placed first in the Intermediate, receiving the Institute prize and the Plender prize for the paper on Auditing.

Thanks are recorded to the South-Eastern Society of Chartered Accountants and to many of its members for encouragement and support, particularly by the Students' Residential Course held at Brighton in October, which was immensely beneficial.

The Eastbourne centre was revived with Mr. D. Allan as secretary until on leaving the district he was succeeded by Mr. E. W. Ekins.

WEST WALES

AT THE ANNUAL general meeting of the West Wales Chartered Accountant Students' Society, held at Swansea on February 28, the following officers and Committee were elected: President: Mr. D. F. Pratten, A.C.A.; Vice-President: Mr. R. Gibb, A.C.A.;

Honorary General Secretary: Mr. J. D. Tait, c/o Messrs. Tribe, Clark, Montgomery Williams & Co.; Honorary Lecture Secretary: Mr. T. G. Calvert; Honorary Treasurer: Mr. R. S. C. Solomon; Honorary Sports Secretary: Mr. D. Day; Committee: Mr. G. E. Gibbs, J.P., F.C.A.; Mr. J. G. Powell, F.C.A.; Mr. R. A. Kerr, A.C.A.; Mr. T. C. Grocock; Mr. L. Matthews; Mr. A. Edwards; Miss J. J. Maull; Miss P. M. Jones; Mr. R. Scott, B.A.; and Mr. D. R. Atkinson.

Forthcoming Events**BIRMINGHAM**

March 24.—"Outline of Local Government Finance," by Mr. G. H. C. Phillips. Students' meeting. The Library, 36 Cannon Street, at 6 p.m.

**BOURNEMOUTH
Members' Meetings**

March 19.—Grand Hotel, at 6 p.m.

April 16.—Grand Hotel, at 6 p.m.

Students' Meeting

April 10.—"Income Tax Losses," by Mr. K. S. Carmichael, A.C.A. Grand Hotel, Fir Vale Road, at 4.30 p.m.

BRADFORD

March 19.—"Stock Exchange," by Mr. F. M. Stephens, A.C.A. Students' Meeting. Midland Hotel, at 6.15 p.m.

April 8-11.—Students' non-residential week-end course. Institute of Technology, Emm Lane.

BRIGHTON**Members' Meeting and Function**

March 17.—Members' meeting. The Palace Pier Hotel, at 6.15 for 6.30 p.m.

April 3.—Ladies' Night Dinner and Dance of South Eastern Society. Grand Hotel, at 7 p.m.

Students' Meetings

March 20.—"The Accounting Provisions of the Companies Act, 1948," and "Taxation-Losses," by Mr. D. Rich, A.C.A. King and Queen Hotel, Marlborough Place, at 5.45 for 6 p.m.

BRISTOL**Members' Meetings**

At the Assize Courts Hotel, Small Street, at 6.30 p.m.

March 19.—"Surtax Directions."

April 16.—"Some Aspects of the Solicitors' Accounts Rules," by Mr. S. J. Saunders, F.C.A.

Students' Meetings

March 20.—"Elements of Taxation." Elementary students' lecture. The Students' Library, 14 Colston Chambers (3rd Floor), Colston Street, at 2.30 p.m.

March 20.—Students' annual general meeting, followed by tea and talks on "The Industrial Accountant," by Mr. J. W. G. Frith, B.A., A.C.A., and Mr. A. L. Rowell,

D.S.O., F.C.A. Room 28, Main Building, University of Bristol, at 2.45 p.m.

CLACTON-ON-SEA

March 31.—"Auditing," by Mr. K. S. Carmichael, A.C.A. Members' meeting. The Embassy Restaurant, Station Road.

COVENTRY

March 23.—Members' meeting preceded by a dinner, Speaker—Det. Chief Inspector Hinson—Chief of the Fraud Squad in Birmingham. Hare and Squirrel Hotel, at 6.30 p.m.

Students' Meetings

At the Golden Cross, Hay Lane, at 6 p.m.

March 23.—"Executorship Problems," by Mr. W. W. Goodsmann, A.I.B.

April 6.—"Back Duty Cases and Appeals," by Mr. H. A. R. J. Wilson, F.C.A.

April 20.—"Economic effects of the Budget," by Mr. A. R. Ilesic, M.Sc.(ECON.), B.COM

DERBY

March 31.—"The Accountant in Industry," by Mr. P. Land, A.C.A. Students' meeting. Clarendon Hotel, at 5.30 p.m.

DURHAM

April 3-6.—Students' residential course. University College.

EASTBOURNE**Students' Meeting**

March 31.—"Treatment of Overheads in Cost Accounts," by Mr. W. C. Senton, A.C.A., A.C.I.S. Civil Defence Hall, Furness Road, at 10 a.m.

EXETER

April 9.—"The Effect of Residence on Taxation Liability," by Mr. H. A. R. J. Wilson, F.C.A. Members' meeting. Imperial Hotel, at 6.15 p.m.

April 10-13.—Students' residential course. University of Exeter.

GRIMSBY

April 3.—Annual general meeting of Students' Society of North Lincolnshire, followed by second annual dinner.

April 17.—"Standard Costing and Budgetary Control," and "Management Accounting," by Mr. G. Tattersall-Walker, A.C.A. Students' meetings. At 4 p.m. and 7 p.m.

April 20.—Members' luncheon meeting. Mr. D. L. Stevenson, A.C.A., will lead a general discussion on the budget proposals. Royal Hotel, at 1 p.m.

HALIFAX

March 23.—Members' luncheon meeting. Old Cock Hotel, at 12.30 p.m.

HASTINGS**Students' Meetings**

All students' meetings will be held at the Chatsworth Hotel, Carlisle Parade, at 10.45 a.m.

March 21.—"Mechanical Accounting and the Auditor," by Mr. L. W. Shaw, B.Sc., A.C.A.

April 4.—"Common Law, Equity and

Statute Law," by Mr. R. D. Penfold, LL.B., Barrister-at-Law.

April 11.—"Company Finance," by Mr. A. R. English, A.C.A.

April 18.—"The Accounting Provisions of the Companies Act, 1948," by Mr. R. J. Carter, B.COM., F.C.A.

HEREFORD

March 19.—"The Principles of Investment," by Mr. G. H. Peters, M.Sc. Students' meeting. Hereford College of Further Education, at 7 p.m.

HULL

Students' Meetings

March 24.—"Consolidated Accounts," by Mr. K. S. Carmichael, A.C.A. The Regal Room, Ferensway, at 3 p.m.

April 10.—Visit to Blackburn and General Aircraft Ltd.

April 17.—"Auditing" and "Book-keeping, (Incomplete Records)," by Mr. S. W. Telfer, A.C.A. The Regal Room, Ferensway, at 4 p.m. and 6.15 p.m.

KINGSTON-ON-THAMES

Members' Meeting

April 6.—Meeting of South-West London Discussion Group. The Kingston Hotel, Wood Street, at 6.45 p.m.

LEEDS

March 20.—Members' luncheon meeting and annual general meeting. Great Northern Hotel, at 1 p.m.

Students' Meetings

All students' meetings will be held at the Great Northern Hotel.

March 18.—"The Institute's Recommendations on the Presentation of Accounts," by Mr. G. N. Hunter, J.P., F.C.A.

March 25.—Annual general meeting of Leeds and District Students' Association, and "Schedule D Cases I and II," by Mr. J. S. Heaton, F.C.A.

April 1.—"Typical Legal Problems in the Examination Room," by Mr. J. F. Myers, M.A., LL.B.

April 6.—"Miscellaneous Accounts," and "Consolidated Accounts," by Mr. D. Rich, A.C.A.

April 15.—"Estate Duty," by Mr. G. D. Hickman.

April 22.—"Banking, Money Market and Current Financial Topics," by Mr. C. R. Curtis, M.Sc., Ph.D., F.C.I.S.

LEICESTER

Students' Meetings

March 20.—Annual general meeting of Leicestershire and Northamptonshire Students' Society. Bell Hotel, at 6 p.m.

March 25.—Hockey match. Leicestershire and Northamptonshire students versus Sheffield students.

April 3.—"The Money Market and Current Financial Topics," by Mr. A. J. Whiteside, M.A. The Bell Hotel, at 6 p.m.

April 16.—Visit to London to see Law Courts and Stock Exchange.

LIVERPOOL

Members' Meeting

March 24.—Brains Trust. Joint Meeting with H.M. Inspectors of Taxes. The Library,

at 5.30 p.m., followed by Hot Pot Supper at the Lyceum Club.

Students' Meetings

All students' meetings will be held in the Library, 5 Fenwick Street, at 5 p.m.

March 20.—Students' visit to Yorkshire Imperial Metals Ltd., Kirkby, at 2.15 p.m.

April 2.—"Building Societies To-day," by Mr. J. Riddell, M.A., LL.B., General Manager, Liverpool Investment Building Society.

April 9.—"Personal Investment Policy," by Henry Lumby, C.B.E., J.P.

April 16.—"Hire Purchase Accounting," by R. C. Highcock, LL.B., A.C.A., A.A.C.C.A.

LONDON

Members' Meetings

March 18.—Meeting of Central London Discussion Group. The Lamb and Flag, 33 Rose Street, Covent Garden, London, W.C.2, at 6.30 p.m.

April 1.—Meeting of Taxation Discussion Group. The Cheshire Cheese, 10 Surrey Street, London, W.C.2, at 6 p.m.

April 8.—Meeting of Management Discussion Group. Samson, Clark & Co. Ltd., 57 Mortimer Street, W.1, at 6 p.m.

April 8.—Meeting of City Discussion Group. The Cock and Bottle, Laurence Pountney Hill, E.C.4, at 6 for 6.30 p.m.

April 9.—Meeting of North London Discussion Group. The Mason's Arms, 38 Maddox Street, W.1, at 6 for 6.30 p.m.

April 10.—Dinner and Dance of London and District Society. Park Lane Hotel, Piccadilly, at 7.30 for 8 p.m.

April 15.—Meeting of Central London Discussion Group. The Lamb and Flag, 33 Rose Street, Covent Garden, W.C.2 at 6.30 p.m.

MANCHESTER

Students' Meetings

March 19.—President's tea party for newly-articled clerks and Committee members. Chartered Accountants' Hall, 46 Fountain Street, at 4.45 p.m.

March 19.—"The Manchester Chamber of Commerce," by Mr. W. Worthington, M.B.E. Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.

NEWCASTLE UPON TYNE

Students' Meetings

March 19.—"Internal Check," by Mr. W. W. Bigg, F.C.A. Neville Hall, Westgate Road, at 2.15 p.m.

April 22.—"Overseas Trading Organisations and Double Taxation Relief," by Mr. H. A. R. J. Wilson, F.C.A. Neville Hall, Westgate Road, at 6 p.m.

April 23.—"Executorship—a writing up problem," by Mr. H. A. R. J. Wilson, F.C.A. Neville Hall, Westgate Road, at 2.15 p.m.

NEWPORT, I.O.W.

March 23.—"Accounting—Form and Presentation of Accounts," by Mr. R. Glynne Williams, F.C.A., F.T.I.L. Students' meeting. Bugle Hotel, at 5.30 p.m.

NORWICH

Members' Function

March 20.—Annual dinner of the East

Anglian Society. Samson & Hercules House, at 7 for 7.30 p.m.

Students' Meetings

April 13-17. Students' tuition course.

April 18.—Annual general meeting of the East Anglian Students' Association. The Assembly House, at 9.30 a.m.

NOTTINGHAM

Students' Meetings

Students' meetings will be held in the Ballroom, the Elite Cinema, Parliament Street.

March 18.—"Investigations," by Mr. R. S. Waldron, F.C.A., at 5.30 p.m.

March 25.—"Estate Duty," and "Distribution of an Estate," by Mr. K. S. Carmichael, A.C.A., at 4 p.m.

OXFORD

Students' Meetings

In addition to the meetings set out below, pre-examination lectures have been arranged (lecturers: Mr. V. S. Hockley, B.COM., C.A., A.A.C.C.A., and Mr. H. E. Applebee) on April 16 at 6.15 p.m., and April 17 and 18 at 9.30 a.m. Royal Oxford Hotel.

March 24.—"Mercantile Law," by Mr. S. A. Maurice, LL.B., followed by annual general meeting. Kemp Restaurant, Broad Street, at 6.30 p.m.

April 3.—Works visit to Oxford University Press. Institute of Cost and Works Accountants meeting. 2-5 p.m.

PORTSMOUTH

April 16.—"Executorship," by Mr. K. S. Carmichael, A.C.A. Students' meeting. The Conference Rooms, Electricity House, High Street, Old Portsmouth, at 6.30 p.m.

PRESTON

Members' Meeting

April 6.—Annual meeting of the North Lancashire Branch of the Manchester Society. Bull and Royal Hotel.

Students' Meetings

The following lectures have been arranged by the Joint Tuition Committee:

Intermediate lectures (lecturer, Mr. H. C. Cox, F.C.A.), on March 21, in the Masonic Hall, Saul Street, off Lancaster Road, at 10 and 11.15 a.m.

Final lectures (lecturer, Mr. G. J. Netherclift, A.C.A.), on March 21, in the Masonic Hall, Saul Street, off Lancaster Road, at 10 and 11.15 a.m.

March 18.—Works visit to Vickers-Armstrong (Engineers) Ltd., Barrow-in-Furness.

READING

Members' Meeting

March 20.—"Practical Management Accounting," by Mr. T. G. Rose, M.I.MECH.E., F.I.L.A., M.I.P.E., The Berkshire Club, Blagrove Street, at 6.45 p.m.

ROTHERHAM

March 24.—Members' Luncheon. Crown Hotel, at 12.30 for 1 p.m.

SHEFFIELD**Members' Meetings**

March 19.—Visit to Newton Chambers Limited, Thorncliffe, to see computer at work.

April 9.—Management Accounting Panel: "Temporary Finance for Companies." Grand Hotel, at 7.30 p.m.

Students' Meeting

March 18.—Visit to Guest, Keen & Nettlefolds Ltd., Birmingham, to see Hec.H Computer.

SOUTHAMPTON**Students' Meetings**

March 24.—"Memorandum and Articles of Association," by Mr. R. D. Penfold, LL.B. The Royal Hotel, at 6.30 p.m.

April 9.—"Amalgamations, Reconstructions and Re-organisations," by Mr. K. S. Carmichael, A.C.A. The Royal Hotel, at 6.30 p.m.

STOKE-ON-TRENT

March 31.—Stocks and Shares Lecture or Panel. Students' meeting. The Basford Lawn Tennis Club.

STOCKTON-ON-TEES**Students' Meetings**

Students' meetings are held at the Black Lion Hotel, at 6.15 p.m.

March 19.—"Auditing," by Mr. W. W. Bigg, F.C.A.

April 21.—"Taxation," by Mr. H. A. R. J. Wilson, F.C.A.

SUNDERLAND**Students' Meetings**

March 18.—"Auditors' Liability for Negligence and Misfeasance," by Mr. W. W. Bigg, F.C.A. Students' meeting. The Museum Room, Sunderland Technical College, at 2.15 p.m.

April 22.—"Losses," by Mr. H. A. R. J. Wilson, F.C.A. Students' meeting. The Museum Room, Sunderland Technical College, at 2.15 p.m.

SWANSEA**Students' Meetings**

March 20.—"The Verification of Assets," by Mr. Charles Romer-Lee, M.A., F.C.A. Students' meeting. Lovell's Cafe, at 5.15 p.m.

TORQUAY

March 26.—"Auditing," by Mr. R. H. Passmore, F.C.A. Students' Meeting. The Y.M.C.A. at 2.30 p.m.

TRURO

April 23.—Members' luncheon and Annual General Meeting. Red Lion Hotel, at 1 p.m.

WOLVERHAMPTON

April 8.—"Banking," by an Associate of the Institute of Bankers. Students' meeting. Victoria Hotel, at 6 p.m.

April 15.—Students' annual general meeting.

YORK

April 15.—Members' luncheon meeting. De Gray Room at 1 p.m.

English Chartered Accountants in Scotland

THE FIRST ANNUAL general meeting of the Association of English Chartered Accountants in Scotland was held in Edinburgh on February 21.

The Chairman, Mr. M. G. Wittet, outlined the events which had led to the formation of the Association and the need for a body which could represent the members of the English Institute who were in practice or working in Scotland.

The following were elected to the Executive Committee: Mr. M. G. Wittet (Chairman), Mr. A. Adamson, Mr. D. W. Barker, Mr. C. F. Cross-Rudkin, Mr. N. H. Macdonald, Mr. W. H. Palmer, Mr. D. Stewart, Mr. W. T. Turner, Mr. K. E. Young, and Miss D. M. Vaughan (Secretary).

Mr. W. T. Riddle was appointed Honorary Auditor.

Personal Notes

Mr. Kenneth F. Dibben, B.COM., A.C.A., has been adopted as prospective Conservative Parliamentary candidate for the Barking (Essex) constituency. Mr. Dibben was formerly Hon. Secretary of the Southampton and District Chartered Accountants Students' Society.

Mr. J. D. Paybody, M.B.E., A.C.A., has been appointed to the Board of Mather & Platt Ltd., engineers, Manchester. He has been secretary of the company since 1952.

Mr. John H. Nixon, F.C.A., Manchester, has taken into partnership his son, Mr. Neville J. Nixon, A.C.A. The style of the firm remains unchanged as John H. Nixon & Co., Chartered Accountants.

Messrs. Keens, Shay, Keens & Co., Chartered Accountants, London, E.C.2, and branches, announce that they have admitted Mr. P. D. Fuller, A.C.A., and Mr. R. J. D. Thompson, A.C.A., to the partnership. Both have been senior members of the staff for some years.

Mr. Leslie H. Stewart, F.C.A., practising as Grundy, Middleton & Co., Chartered Accountants, Manchester, has taken into partnership Mr. Donald C. Brotherton, A.C.A., and Mr. Gordon S. Jackman, A.C.A. The firm name is unchanged.

Mr. William J. Campbell and Mr. Ronald Harris have amalgamated their practices. The joint practice is being carried on in the name of Campbell and Harris, Chartered Accountants, at 49A Whitefriargate, Hull, 23A Market Place, Driffield, and High Street, Market Weighton.

Messrs. David Smith, Garnett & Co., Chartered Accountants, Manchester, and Messrs. Wade & Co., Chartered Accountants, Manchester, announce that following the death of Mr. A. J. Phelan, F.C.A., their two practices are being run in conjunction, the partners in both firms being the existing partners of David Smith, Garnett & Co.,

and Mr. H. V. Clayton, F.C.A., of Wade & Co. The address of Wade & Co. is unchanged at present.

Obituary**Berkeley William Nelson**

WITH DEEP REGRET we record the death on February 17, at the age of ninety, of Mr. Berkeley W. Nelson, F.C.A.

Mr. Nelson became a member of the Society of Incorporated Accountants in 1894, after attaining Honours in the Final examination, and since that date was continuously in practice in London until his death.

He was a chorister at St. Paul's Cathedral under Sir John Stainer (the composer of *The Crucifixion*) in the 1870's. For over sixty years he held office as secretary of the St. Paul's Cathedral Evening Service Choir.

The funeral service took place at St. Paul's on February 21. It was attended by Mr. Edward Baldry, F.C.A., the last Vice-President of the Society of Incorporated Accountants, whose wife was a niece of Mr. Nelson.

APPOINTMENTS VACANT

(See also pages xliii and xlv)

**City of Leeds Education Committee
LEEDS COLLEGE OF COMMERCE**

Required as soon as possible a Lecturer for Cost and Works Accountancy Course. Candidates should hold a degree or appropriate professional qualification. The salary (men) is £1,200 × £30—£1,350 a year with an additional of 5%. Allowance may be made for previous approved experience in fixing the starting salary.

Further particulars and application forms (to be returned within 10 days of the appearance of this advertisement) from the undersigned.

GEORGE TAYLOR,
Chief Education Officer.

Education Offices,
Calverley Street,
Leeds, 1.

INTERNATIONAL FIRM OF ACCOUNTANTS wishes to engage Chartered Accountant for its Milan Office. Preference will be given to applicants with a knowledge of Italian but others applying should have at least some knowledge of French. Initial salary and future prospects good for right man. Applications with full particulars to Box No. 186, c/o ACCOUNTANCY.

INTERNATIONAL FIRM OF ACCOUNTANTS wishes to engage Chartered Accountant with some knowledge of French for its Paris Office. Initial salary and future prospects good for right man. Applications with full particulars to Box No. 185, c/o ACCOUNTANCY.

PEAT, MARWICK, MITCHELL & CO., 11 Ironmonger Lane, London, E.C.2, have vacancies in their London office for young Chartered Accountants who wish to widen their experience in all branches of accountancy. Excellent prospects, good starting salary, pension scheme. Opportunities for service overseas. Applications to 11 Ironmonger Lane, E.C.2.

PROFESSIONAL ACCOUNTANTS. About 16 pensionable posts in Government Departments for men and women at least 25 on 1.5.59. Qualifications: suitable professional experience; Chartered, Incorporated or Certified Accountants. Salary (London, men) £835 (at 25) to £1,120 (34 or over), rising to £1,165. Promotion prospects. 5-day week generally. Write CIVIL SERVICE COMMISSION, Burlington Gardens, London, W.1, for application form, quoting 57/59. Closing date April 30, 1959.

THE UNIVERSITY OF SHEFFIELD Applications are invited for a post of LECTURER in ACCOUNTANCY (with special reference to Costing and Management Accounting) to begin duties on October 1, 1959. Initial salary according to qualifications and experience on the scale £900 × 50—£1,350 × 75—£1,650, with F.S.S.U. provision and family allowance. A grant towards removal expenses will be made. Further particulars should be obtained from the Registrar, to whom application (4 copies) should be sent by April 18, 1959.

Classified Advertisements

Advertisements under "Appointments Vacant", "Practices & Partnerships", "Appointments Required", "Articled Clerks"—eightpence per word. Under "Official Notices", "Miscellaneous" and other headings—one shilling per word. Box numbers—five shillings extra (including the five words in the advertisement). Semi-displayed panels—£4 per column inch. All terms prepaid. Replies to Box Number advertisements should be addressed Box No. . . . c/o ACCOUNTANCY, 23 Essex Street, London, W.C.2, unless otherwise stated. It is requested that the Box Number be also placed at the bottom left-hand corner of the envelope.

APPOINTMENTS REGISTER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

Employers who have vacancies for members on their staffs and also members seeking new appointments are invited to make use of the facilities provided by the Institute's Appointments Register. No fees are payable. All enquiries should be addressed to the Appointments Officer, Moorgate Place, London, E.C.2. Tel. Monarch 8306.

OFFICIAL NOTICES

P. D. LEAKE RESEARCH FELLOWSHIP

Applications are invited from qualified members of the accountancy profession for appointment to a P.D. Leake Research Fellowship financed by the P. D. Leake Trust. The term of the Fellowship will be for the year commencing October 1, 1959, and it may be held in the University of Birmingham, the University of London, or the University of Oxford, the location of the appointment being determined by the three universities concerned, in consultation, after consideration of candidates' preference and research interests.

The object of the Fellowship is to provide university facilities for an experienced accountant to carry out research in subjects with which the accountancy profession is directly concerned and within the charitable object of the P. D. Leake Trust, namely "to benefit and advance the sciences of accounting and of political economy, including the subject of public finance and taxation." Only accountants who are members of United Kingdom accountancy bodies which are recognised for the purpose of United Kingdom company law are eligible.

The emolument of the Fellowship will be £2,000, out of which the Fellow will be required to meet any consequential expenses of his appointment.

Further particulars may be obtained from the Registrar, University of Oxford, with whom applications must be lodged by April 30, 1959.

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS

JUNE 1959 EXAMINATIONS

The next Preliminary, Intermediate and Final Examinations will be held at the usual home centres on the 1st, 2nd and 3rd June, 1959. Applications on Form C (obtainable on receipt of self-addressed and stamped gummed label) should be lodged with the undersigned as soon as possible, and in any case by not later than the 10th April. No late entries will be accepted.

DEREK DU PRE, Secretary,
63 Portland Place, London, W.1.

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS FELLOWSHIP IN MANAGEMENT ACCOUNTANCY

The Fellowship Examination is open to Associates of the Institute and to certain other qualified accountants who fulfil the required conditions, particulars of which can be obtained on application.

The examination will take place at the usual home centres on the 1st, 2nd and 3rd June, 1959. Entry forms (obtainable on application) must be lodged with the undersigned by not later than 10th April, 1959.

DEREK DU PRE, Secretary,
63 Portland Place, London, W.1.

TECHNIQUES OF Cost Control and Management Accounting. Residential course, for Accountants and Managers at all levels, in the Somerset Education Committee's College for Adult Education, May 11-15. Inclusive fee £7 7s. 0d. Details from the WARDEN, Dillington House, Ilminster, Somerset.

APPOINTMENTS VACANT

ACCOUNTANCY Staff from Articled to top salaried ACCOUNTING & TAXATION APPTS. NO FEES TO STAFF. CONDUIT ST. BUREAU (GRO: 7080) 4 Conduit St., Oxford Circus, W.1. Open daily 8.30 to 7.30: Sats. 9-1.

ACCOUNTANT

A City Group engaged in all aspects of providing finance for industry and having a wide range of industrial interests wishes to add a Chartered Accountant, aged 30-35, to its executive staff. The job will include representation of the group on the Boards of Companies and candidates must have a sound knowledge of industrial organisation and an appreciation of commercial and industrial problems.

Preference will be given to candidates with a public school and university education who have had several years' executive experience in industry after qualifying as accountants. The starting salary envisaged is £1,700 p.a.

Applications will be treated as completely confidential and should include details of positions held, remuneration received and reasons for leaving. Write to Box AY.322, c/o 191 Gresham House, E.C.2.

ACCOUNTANT. Experienced assistant required for the Accounts Department of the head office of the British subsidiary of an internationally-known American corporation. Examination student preferred. Excellent opportunity in an expanding organisation. New West-end offices provide excellent conditions. 5-day week. Pension scheme. Commencing salary up to £750 per annum. Please write full details of education and experience to Box No. 192, c/o ACCOUNTANCY.

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AN OPPORTUNITY IN ACCOUNTANCY exists for a man of requisite personal characteristics and technical experience, to gain first-class experience in the application of modern accounting techniques to commercial activities; and to embark upon a worthwhile career with an expanding organisation.

Applications are invited from CHARTERED ACCOUNTANTS who:

- (a) Are aged between 28 and 34;
- (b) Have had not less than 2 years' industrial experience;
- (c) Have had practical experience in Staff Supervision and of National Accounting and/or punched card installations;
- (d) Have carried their study of accounting techniques beyond the examination stage;
- (e) Place the development of the accounting role before adherence to a 37-hour working week;
- (f) Have had constructive experience in applied Management Accounting;
- (g) Have drive, energy and ambition;
- (h) Believe themselves to be genuinely worth a four-figure salary.

Applications are invited only from men who are seriously interested in an executive career in accountancy. The successful applicant will be required to reside in the Bradford area; a company house is available if required; normal pension and life assurance benefits exist.

Interested candidates are asked to write immediately to the Group Chief Accountant, HAMMONDS UNITED BREWERIES LIMITED, Bradford 5.

CHARTERED ACCOUNTANT, preferably under 30, required by an old established and expanding Chemical Engineering Company; situate near London. Commercial experience an advantage. Good salary. Pension and Life Assurance. Bonus scheme. Full details of education and experience to Box No. 193, c/o ACCOUNTANCY.

See also pages 188 and xlii

ACCOUNTANCY STAFF

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COMMERCIAL ACCOUNTANTS
COST AND WORKS ACCOUNTANTS

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